CITY OF ST. ALBANS, WEST VIRGINIA
$8,270,000 TAXABLE - COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A, (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS); AND $150,000 COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B, (BANK QUALIFIED)
Date of Closing: December 23, 2010

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CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS); AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED)

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CITY OF ST. ALBANS, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of St. Albans (the "Issuer" or the "City") presently owns and operates, through the City of St. Albans Municipal Utility Commission (the "MUC"), a public combined waterworks and sewerage system (the "System") and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined.

WHEREAS, all of the Prior Bonds were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to acquire, construct and operate extensions, additions, betterments and improvements for the System consisting of replacing aged and deteriorated water distribution mains throughout the system and all necessary appurtenances;

WHEREAS, the Issuer has determined, and does hereby affirm, that the acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the System, is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the City and surrounding areas;

WHEREAS, Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2010, Pub. L. No. 111-5, 123 Stat. 115 (2010) (enacted February 17, 2010) added, among other things, Sections 1400U-1 through 1400U-2 to the Internal Revenue Code of 1986, as amended (the "Code"), authorizing state and local governments at their option to issue "Recovery Zone Economic Development Bonds" as taxable governmental bonds with a direct federal subsidy of a percentage of the interest payments on such bonds;

WHEREAS, the Issuer has determined that the aforementioned acquisition and construction of extensions, additions, betterments and improvements to the waterworks portion of the System should be financed, as provided under the Act, in whole or in part, from the proceeds of revenue bonds to be issued by the Issuer, to pay all or any portion of the costs thereof, and to enact this Ordinance and issue its Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds"), such Series 2010 A Bonds to be secured by and payable from the Net Revenues of the System, and containing such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Series 2010 A Bonds will be issued as Recovery Zone Economic Development Bonds pursuant to Section 1400U-2 of the Code, which permits the issuance of tax-exempt private activity bonds to finance certain "qualified economic development purposes" (as defined in Section 1400U-2(c) of the Code) in a designated "recovery zone" (as defined in Section 1400U-1(b) of the Code);

WHEREAS, the Issuer will designate the Series 2010 A Bonds as Recovery Zone Economic Development Bonds pursuant to the requirements of Section 1400U-2(b)(1)(B) of the Code;

WHEREAS, pursuant to Resolutions adopted by the Issuer on May 3, 2010, the Issuer has (i) designated the entire geographic region of the City as a Recovery Zone pursuant to Section 1400U-1 of the Code, and (ii) found that the Project constitutes a qualified economic development purpose within the meaning of Section 1400U-2 of the Code;

WHEREAS, the Issuer in accordance with West Virginia Senate Bill 4002, applied to the West Virginia Economic Development Authority (the "WVEDA") for recovery zone economic development bond cap allocation to provide Recovery Zone Economic Development Bond financing for the Project, and the WVEDA granted $10,000,000 of recovery zone economic development bond cap allocation for the Project; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2010 A Bonds and Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds")

be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement, (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF ST. ALBANS HEREBY ORDAINS:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2010 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

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

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the MUC, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bondholder," "Holder," "Holder of the Bonds," "Owner of the Bonds," "Registered Owner," or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2010 A Bonds and Series 2010 B Bonds, shall initially mean the bond insurer or bond insurers, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of the Series 2010 A Bonds and Series 2010 B Bonds.

"Bond Year" means with respect to each series of the Series 2010 A Bonds and Series 2010 B Bonds 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.

"Bonds" means, collectively, the Series 2010 Bonds, the Prior Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2010 A Bonds and Series 2010 B Bonds in substantially the form set forth in **EXHIBIT A - SERIES 2010 A BOND FORM** and **EXHIBIT B - SERIES 2010 B BOND FORM** hereto.

"City" or **"Issuer"** means the City of St. Albans, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County thereof, and, where appropriate, the Council, the MUC and any successor thereto.

"Clerk" or "City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder and including the American Recovery and Reinvestment Act of 2010 and such guidance with respect thereto as may be issued by the Internal Revenue Service or Department of the Treasury from time to time.

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

"Consulting Engineers" means Chapman Technical Group, St. Albans, West Virginia or any independent qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2010 A Bonds and Series 2010 B Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System and includes investment income, connection fees, disconnections fees, System use charges and fees, RZEDB Interest Subsidy Payments and all other items of income which have been established as reasonably anticipated annual income of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

"Independent Accountant" means the West Virginia State Tax Department or 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 purpose except keeping the accounts of said System in the normal operations of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing

desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"MUC" shall mean the City of St. Albans Municipal Utility Commission, created by an ordinance of the Issuer, or any successor thereto.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2010 A Bonds and Series 2010 B Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2010 A Bonds and Series 2010 B Bonds, in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2010 A Bonds and Series 2010 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2010 A Bonds and Series 2010 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2010 A Bonds and Series 2010 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 2010 A Bonds and Series 2010 B Bonds.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, 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 of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of 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.

"Ordinance" or **"Bond Ordinance"** regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2010 A Bonds and Series 2010 B Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to the Series 2010 Bonds or the Prior Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bonds at or prior to said date; (b) any Bond or Prior Bonds for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds or Prior Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond or Prior Bond, such Bond or Prior Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2010 A Bonds and Series 2010 B Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"**Prior Bonds**" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2000 C Bonds and Series 2008 A Bonds.

"Prior Ordinances" means, collectively, the ordinance of the Issuer authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" means the acquisition and construction of certain additions, betterments and improvements to the System, including the acquisition of the sewerage systems of the Willow Springs system.

"Purchase Price" for the purpose of computation of the Yield of the Series 2010 A Bonds and Series 2010 B Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2010 to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Series 2010 Bonds are privately placed, the price paid by the first buyer of the Series 2010 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2010 Bonds for acquisition thereof, or if later, on the date that Investment Property

constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2010 A Bonds and Series 2010 B Bonds.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Record Date" means the date or dates which shall be so stated in the Series 2010 A Bonds and Series 2010 B Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Recovery Zone Economic Development Bonds" shall mean bonds treated as "Recovery Zone Economic Development" pursuant to the provisions of Section 1400U-2 of the Code.

"RZEDB Interest Subsidy Payments" means payments to be received by the Issuer from the U.S. Department of the Treasury under Code Sections 1400U-2 and 6431 in connection with the payments of interest on the Series 2010 A Bonds or any additional parity Bonds which are Recovery Zone Economic Development Bonds or other similarly designated federal subsidy bonds (including payments received under similar Federal bond subsidy provisions).

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which any of the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2010 A Bonds and Series 2010 B Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

"Series 2000 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, dated April 1, 2000, issued in the aggregate principal amount of $2,500,000.

"Series 2000 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the aggregate principal amount of $16,281,000.

"Series 2000 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the aggregate principal amount of $225,000.

"Series 2008 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking and Trust Company), dated December 3, 2008, issued in the aggregate principal amount of $2,735,000.

"Series 2010 Bonds" means, collectively, the Series 2010 A Bonds and Series 2010 B Bonds.

"Series 2010 Bonds Acquisition and Construction Fund" means the Series 2010 Bonds Acquisition and Construction Fund created by Section 4.01 hereof.

"Series 2010 A Bonds" means the Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2010 A Bonds Costs of Issuance Fund" means the Series 2010 A Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2010 A Bonds Redemption Account" means the Redemption Account created in the Series 2010 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account created in the Series 2010 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 A Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2010 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2010 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2010 A Bonds.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2010 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2010 B Bonds Costs of Issuance Fund" means the Series 2010 B Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2010 B Bonds Redemption Account" means the Redemption Account created in the Series 2010 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 B Bonds Reserve Account" means the Series 2010 B Bonds Reserve Account created in the Series 2010 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 B Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2010 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2010 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2010 B Bonds.

"Series 2010 B Bonds Sinking Fund" means the Series 2010 B Bonds Sinking Fund created by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2010 Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2010 Bonds and authorizing the sale of the Series 2010 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

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

"Tax Certificate" means the Issuer's Tax Certificate dated as of the date of issuance of the Series 2010 A Bonds and Series 2010 B Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 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 vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Kanawha County of said State.

B. The Issuer presently owns and operates, through the St. Albans Municipal Utility Commission (the "MUC"), a public combined waterworks and sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the water environment of the project area, that there be acquired and constructed certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of – constructing certain improvements to the existing potable water distribution system and all necessary appurtenances (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A, in the aggregate principal amount of not more than $10,000,000 and its Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B, in the aggregate principal amount of not more than $2,500,000, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2010 A Bonds and Series 2010 B Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account; underwriter's discount, 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; premiums for municipal bond insurance, reserve account insurance or reserve account surety bonds; letter of credit fees; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition and construction of the Project and the placing of same in operation; and the

performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Project is not less than 30 years.

E. It is in the best interests of the Issuer that the Series 2010 Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by supplemental resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); and (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking and Trust Company), dated December 3, 2008, issued in the aggregate principal amount of $2,735,000 (the "Series 2008 A Bonds") (collectively, the "Prior Bonds").

The Series 2010 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2010 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Series 2000 B Bonds and the Series 2000 C Bonds to the issuance of the Series 2010 Bonds on a parity with those Bonds. The Series 2000 A Bonds and Series 2008 A Bonds do not require consent. Prior to issuance of the Series 2010 Bonds, the Issuer shall comply with the provisions of the Prior Ordinances for issuance of the Series 2010 Bonds on a parity with the Series 2010 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 all covenants of the Prior Bonds and Prior Ordinances.

G. The Issuer intends to issue the Series 2010 Bonds and to pledge for payment thereof, from the Net Revenues of the System, on a parity with each other and on a parity with such pledge in favor of the Holders of the Prior Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for the repair, maintenance and operation of the System, the payment of interest upon the Series 2010 Bonds, and the Prior Bonds and to

create sinking funds, as hereinafter provided, to pay the principal on the Series 2010 Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2010 A Bonds, and secure the Series 2010 Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the monies in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account, unexpended proceeds of the Series 2010 A Bonds and Series 2010 B Bonds and as further set forth herein.

J. The Series 2010 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - Series 2010 A BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2010 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT B - Series 2010 B BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2010 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2010 A Bonds and Series 2010 B Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2010 Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a certificate of 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 date of issuance of the Series 2010 Bonds or such final order will not be subject to appeal or rehearing.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2010 Bonds by those who shall own or hold the same from time to time, this Ordinance 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 legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $12,500,000. The proceeds of the Series 2010 Bonds hereby authorized shall be applied as provided herein.

ARTICLE III

THE SERIES 2010 BONDS

Section 3.01. Form and Payment of Bonds. No Series 2010 Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2010 Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2010 Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2010 Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2010 Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2010 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2010 Bonds shall be in default, Bonds issued in exchange for Series 2010 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2010 Bonds surrendered.

The principal of and the premium, if any, on the Series 2010 Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2010 Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2010 Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2010 Bonds are redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2010 Bond in the principal amount of said 2010 Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2010 Bonds shall be executed in the name of the Issuer by the Mayor, by his manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2010 Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2010 A Bonds and Series 2010 B Bonds be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2010 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2010 A Bond, substantially in the form set forth in EXHIBIT A - Series 2010 A BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2010 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2010 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2010 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2010 A Bonds issued hereunder.

No Series 2010 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2010 B Bond, substantially in the form set forth in EXHIBIT B - Series 2010 B BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2010 B Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2010 B Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2010 B Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2010 B Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2010 Bonds shall be, and have all of the qualities and incidents of,

negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said 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, 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 any of the Series 2010 Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2010 Bonds. The Series 2010 Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2010 Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2010 Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2010 Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2010 Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2010 Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2010 Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2010 Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2010 Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and 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 the Issuer and the Registrar

proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2010 Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds.

A. In the event Term Bonds are issued as part of the Series 2010 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2010 A Bonds Redemption Account in accordance with Subsection 4.03(A)(1) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2010 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2010 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2010 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2010 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

B. In the event Term Bonds are issued as part of the Series 2010 B Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2010 B Bonds Redemption Account in accordance with Subsection 4.03(A)(1) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2010 B Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been

redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2010 B Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2010 B Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2010 B Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2010 A Bonds and Series 2010 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, the Original Purchaser, and the registered owner of the Series 2010 Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2010 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be sent to registered securities depositories, nationally recognized municipal securities information repositories and to *Standard & Poor's Called Bond Record.*

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2010 Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2010 Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Series 2010 Bonds, or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2010 Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2010 Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2010 Bonds, and failure to mail

such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2010 A Bonds and Series 2010 B Bonds.

A. For the purposes of paying a portion of the costs of acquisition and construction of improvements and betterments to the waterworks portion of the System, funding the Series 2010 A Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2010 A Bonds of the Issuer, in an aggregate principal amount of not more than $10,000,000. Said Series 2010 A Bonds shall be designated "Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in a Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2010 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2010 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2010 A Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $10,000,000); shall bear interest at such rate or rates, not exceeding the then legally permissible rate (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purposes of paying a portion of the costs of acquisition and construction of improvements and betterments to the waterworks portion of the System, funding the Series 2010

B Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2010 B Bonds of the Issuer, in an aggregate principal amount of not more than $2,500,000. Said Series 2010 B Bonds shall be designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in a Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2010 B Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2010 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2010 B Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $2,500,000); shall bear interest at such rate or rates, not exceeding the then legally permissible rate (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2010 A Bonds and Series 2010 B Bonds.

A. The Series 2010 Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2010 Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2010 Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2010 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2010 Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2010 Bond or any other evidence of ownership of the Series 2010 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2010 Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2010 Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2010 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2010 Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the

Series 2010 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2010 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2010 Bonds so redeemed, but DTC may retain such Series 2010 Bonds and make an appropriate notation on the Series 2010 A Bonds and Series 2010 B Bonds certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2010 Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2010 Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2010 Bonds, selecting the Series 2010 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2010 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2010 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2010 Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2010 Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2010 Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2010 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2010 Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2010 Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2010 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2010 A Bonds and Series 2010 B Bonds.

Section 3.12. Delivery of Series 2010 A Bonds and Series 2010 B Bonds.

A. The Issuer shall execute and deliver the Series 2010 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2010 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2010 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies, certified by the City Clerk, of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinions upon the Series 2010 Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2010 A Bonds and Series 2010 B Bonds. The definitive Series 2010 A Bonds shall be in substantially the form set forth in EXHIBIT A - Series 2010 A BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2010 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2010 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

The definitive Series 2010 B Bonds shall be in substantially the form set forth in EXHIBIT B - Series 2010 B BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2010 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2010 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2010 A Bonds and Series 2010 B Bonds.

A. Upon the issuance and delivery of the Series 2010 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2010 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2010 A Bonds Sinking Fund and applied to payment of interest on the Series 2010 A Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2010 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2010 A Bonds Reserve Account, provided that, to the extent the Series 2010 A Bonds Reserve Requirement is satisfied in whole or in part from a reserve account letter of credit, surety bond or other credit facility, proceeds of the Series 2010 A Bonds shall be deposited in the Series 2010 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2010 A Bonds Reserve Requirement.

3. The amount of Series 2010 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2010 A Bonds shall be deposited with the Depository Bank in the Series 2010 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2010 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2010 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2010 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2010 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2010 A Bonds from which such proceeds are derived.

4. The balance of Series 2010 A Bonds proceeds, if any, shall be deposited in the Series 2010 Bonds Acquisition and Construction Fund and disbursed as provided in Section 3.15 hereof.

B. Upon the issuance and delivery of the Series 2010 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2010 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2010 B Bonds Sinking Fund and applied to payment of interest on the Series 2010 B Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2010 B Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2010 B Bonds Reserve Account, provided that, to the extent the Series 2010 B Bonds Reserve Requirement is satisfied in whole or in part from a reserve account letter of credit, surety bond or other credit facility, proceeds of the Series 2010 B Bonds shall be deposited in the Series 2010 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2010 B Bonds Reserve Requirement.

3. The amount of Series 2010 B Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2010 B Bonds shall be deposited with the Depository Bank in the Series 2010 B Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2010 B Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2010 B Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2010 B Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2010 B Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2010 B Bonds from which such proceeds are derived.

4. The balance of Series 2010 B Bonds proceeds, if any, shall be deposited in the Series 2010 Bonds Acquisition and Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Acquisition and Construction Funds. Disbursements from the Series 2010 Bonds Acquisition and Construction Fund, except for payment of Costs of Issuance of the Series 2010 A Bonds and Series 2010 B Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for acquisition and construction of capital improvements, repairs and replacements for the System, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2010 Bonds Acquisition and Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank; Recovery Zone Economic Development Bonds Covenants and Election. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

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

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

(3) Rebate Fund; and

(4) Series 2010 Bonds Construction Fund

Section 4.02. Establishment of Funds and Accounts with Bond Commission. The following special funds or accounts are hereby created (or continued is established by Prior Ordinances) 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 2000 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 2000 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 2000 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 2000 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 2000 C Bonds Sinking Fund (established by Prior Ordinance);

(6) Series 2000 C Bonds Reserve Account (established by Prior Ordinance).

(7) Series 2008 A Bonds Sinking Fund (established by Prior Ordinance);

(8) Series 2008 A Bonds Reserve Account (established by Prior Ordinance);

(9) Series 2010 A Bonds Sinking Fund;

(10) Series 2010 A Bonds Reserve Account

(11) Series 2010 B Bonds Sinking Fund; and

(12) Series 2010 B Bonds Reserve Account

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2010 A Bonds or Series 2010 B Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on

deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to pay interest on the Prior Bonds; (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2010 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2010 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2010 A Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2010 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2010 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2010 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2010 A Bonds Sinking Fund; and (iii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2010 B Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2010 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2010 B Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2010 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2010 B Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2010 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2010 B Bonds Sinking Fund.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to pay principal on the Prior Bonds; (ii) for deposit in the Series 2010 A Bonds Sinking Fund (and in the Series 2010 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2010 A Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2010 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2010 A Bonds on the next ensuing principal payment or mandatory Redemption Date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2010 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2010 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) for deposit in the Series 2010 B Bonds Sinking Fund (and in the Series 2010 B Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2010 B Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2010 B Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2010 B Bonds on the next ensuing principal payment or mandatory Redemption Date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 B Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2010 B Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2010 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds

Reserve Accounts; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2010 A Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2010 A Bonds Reserve Account, as a result of a decrease in value of the Series 2010 A Bonds Reserve Account below the Series 2010 A Reserve Account Requirement or any withdrawal from the Series 2010 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2010 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2010 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2010 A Bonds Reserve Account is less than the Series 2010 A Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2010 A Bonds Reserve Account for deposit into the Series 2010 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2010 A Bonds Reserve Account to an amount equal to the Series 2010 A Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2010 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2010 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2010 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2010 A Reserve Account Requirement; and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2010 B Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 B Bonds Reserve Requirement; provided further, that if the amounts in the Series 2010 B Bonds Reserve Account, as a result of a decrease in value of the Series 2010 B Bonds Reserve Account below the Series 2010 B Reserve Account Requirement or any withdrawal

from the Series 2010 B Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2010 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2010 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2010 B Bonds Reserve Account is less than the Series 2010 B Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2010 B Bonds Reserve Account for deposit into the Series 2010 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2010 B Bonds Reserve Account to an amount equal to the Series 2010 B Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2010 B Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2010 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2010 B Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2010 B Reserve Account Requirement.

Amounts in the Series 2010 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2010 A Bonds when due, when amounts in the Series 2010 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

Amounts in the Series 2010 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2010 B Bonds when due, when amounts in the Series 2010 B Bonds Sinking Fund are insufficient therefor and for no other purpose.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any

Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2010 A Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2010 B Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2010 B Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC 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 municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2010 Bonds, all in accordance with the respective principal amounts then Outstanding.

Section 4.04. Recovery Zone Economic Development Bonds – Authorization and Additional Covenants of the Issuer; Tax Elections.

A. The Issuer covenants and agrees that (1) it will use the proceeds of the Series 2010 A Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Series 2010 A Bonds are issued and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Series 2010 A Bonds or any other funds of the Issuer in any

manner, or take or omit to take any action, that would cause the Series 2010 A Bonds to be "arbitrage bonds" within the meaning of Code Section 148(a).

B. The Issuer covenants and agrees that it will not use any portion of the proceeds of the Series 2010 A Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner (1) that would cause any Series 2010 Aond to be a "private activity bond" within the meaning of Code Section 141(a), or (2) to make or finance a loan to any person other than the State or a political subdivision thereof.

C. The Issuer covenants and agrees that it will pay or provide for the payment from time to time all amounts required to be rebated to the United States pursuant to Code Section 148(f) and the Tax Certificate. This covenant shall survive payment in full or defeasance of the Series 2010 A Bonds. The Tax Certificate may be amended or replaced if, in the opinion of Bond Counsel, such amendment or replacement will not adversely affect the qualification of the Series 2010 A Bonds as Recovery Zone Economic Development Bonds.

D. The Issuer hereby irrevocably elects under Code Section 54AA(d) to treat the Series 2010 A Bonds as "build America bonds." In addition, the Issuer hereby represents that:

(a) The Series 2010 A Bonds are "build America bonds" as defined in Code Section 54AA(d);

(b) The Issuer designates the Series 2010 A Bonds as "Recovery Zone Economic Development Bonds" as defined in Code Section 1400U-2(b) and pursuant to the requirements of Section 1400U-2(b)(1)(B) of the Code.

(c) The maximum aggregate face amount of Series 2010 A Bonds does not exceed the amount of the recovery zone economic development bond limitation allocated to the Issuer.

(d) The Series 2010 A Bonds will be issued prior to January 1, 2011; and

(e) 100 percent of the excess of — (i) the available project proceeds (as defined in Section 54A of the Code) of the Series 2010 A Bonds, over (ii) the amounts in a reasonably required reserve (within the meaning of Section 150(a)(3) of the Code) with respect to the Series 2010 A Bonds, will be used for one or more qualified economic development purposes with respect to the Project.

E. The Mayor is hereby authorized to take such other action as may be necessary to make effective the election contained in this Section and to file any required document with the Internal Revenue Service with respect to the Series 2010 A Bonds.

F. The Issuer certifies and covenants with the Owners of the Series 2010 A Bonds from time to time outstanding that the Issuer through its officers, (a) will make such further specific covenants, representations and assurances as may be necessary or advisable; (b) comply

with all representations, covenants and assurances contained in the Tax Certificate, which Tax Certificate shall constitute a part of the contract between the Issuer and the Owners of the Series 2010 A Bonds; (c) consult with Bond Counsel; (d) pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Series 2010 A Bonds; (e) file such forms, statements and supporting documents as may be required and in a timely manner, and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other person to assist the Issuer in such compliance.

G. The covenants contained in this Section 4.04 shall remain in full force and effect notwithstanding the defeasance of the Series 2010 A Bonds pursuant to Section 9.09 hereof or any other provision of this Ordinance until the final maturity date of all Series 2010 A Bonds.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in 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.

Except as provided below, 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 Issuer 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 Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, annually transfer from the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account to the

respective Sinking Funds any earnings on the monies deposited therein and any other funds in excess of the Series 2010 A Bonds Reserve Requirement and the Series 2010 B Bonds Reserve Requirement, provided, however, that there shall at all times remain on deposit in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account an amount at least equal to the Series 2010 A Bonds Reserve Requirement and Series 2010 B Bonds Reserve Requirement, respectively.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account shall, at any time, be less than the applicable Series 2010 A Bonds Reserve Requirement or the applicable Series 2010 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2010 A Bonds and Series 2010 B Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor and Clerk to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage, Recovery Zone Economic Development Bonds and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2010 Bonds which would cause the Series 2010 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 A Bonds) so that the Series 2010 A Bonds will be Recovery Zone Economic Development Bonds, and (iii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 B Bonds) so that the interest on the

Series 2010 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2010 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall assure preparation of the rebate calculations and the performance of all matters in connection with such rebates. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the Series 2010 A Bonds as Recovery Zone Economic Development Bonds and to maintain the exclusion of interest on the Series 2010 B Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2010 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2010 Bonds or monies in a construction fund, if any, all as herein provided. No Holder or Holders of any Series 2010 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2010 or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues and Monies in Sinking Fund. The payment of the debt service of all of the Series 2010 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds and, in the instance of the Series 2010 A Bonds, all monies and securities in the Series 2010 A Sinking Fund, including the Series 2010 A Bonds Reserve Account therein, in the instance of the Series 2010 B Bonds, all monies and securities in the Series 2010 B Sinking Fund, including the Series 2010 B Bonds Reserve Account therein to the extent necessary to make the payments required under Section 4.03. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2010 Bonds herein authorized, to make the payments into the Series 2010 A Bonds Sinking Fund, all monies and securities in the Series 2010 A Bonds Sinking Fund, including the Series 2010 A Bonds Reserve Account therein, and to make the payments into the Series 2010 B Bonds Sinking Fund, all monies and securities in the Series 2010 B Bonds Sinking Fund, including the Series 2010 B Bonds Reserve Account therein.

Section 6.04. Rates. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Legislation. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted June 7, 2010 and the water rate ordinance of the Issuer dated June 7, 2010, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Legislation. In the event the schedule of rates and charges initially established for the System in connection with the Series 2010 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Prior to the issuance of the Series 2010 Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies 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 created hereunder. Such schedule or schedules of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule 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 120% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 2000 A Bonds are no longer outstanding and amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 Bonds Reserve Accounts and any Reserve Accounts for obligations on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds.

All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04 hereof.

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 Issuer that less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 6.05. Completion of Project; Operation and Maintenance. The Issuer will complete the Project as promptly as possible. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 6.06. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided by the Prior Ordinances. Additionally, so long as the Series 2010 Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond 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 MUC 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 MUC 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 MUC 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 MUC 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 MUC 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 reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of any applicable Bond Insurer and the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, 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 the Net Revenues with the Series 2010 Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Series 2010 Bonds.

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, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2010 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable.

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

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements to the System, refunding any or all outstanding Bonds to pay claims which may exist against the revenues or facilities of the System, or all such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall so long as any of the Series 2000 A Bonds are outstanding, not be less than 120%, and thereafter, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the additional customers to be connected to the System as a result of additions, extensions and improvements thereto, or from 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 Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity,

regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2008 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2008 A Bonds.

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

No additional bonds, notes, certificates, contracts or any other obligations shall be issued by the City unless no Event of Default shall have occurred and be continuing with respect to the Bonds.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2010 Bonds remain Outstanding, the Issuer or the MUC will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the MUC will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The MUC will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the MUC and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the MUC from claims for bodily injury and/or death and 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 and the MUC from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the MUC, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure, so long as the following requirements are met:

(i) The self-insurance program has been reviewed by an insurance consultant;

(ii) The self-insurance program includes an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an insurance consultant; and any deficiencies in any self-insured claims reserve fund will be remedied in accordance with the recommendation of the insurance consultant;

(iii) The self-insured claims reserve fund shall be held in the United States of America in a separate trust fund by an independent corporate trustee; and

(iv) In the event the current funding of the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by an insurance consultant, shall be maintained.

If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. 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 MUC and such payment bonds will be filed with the Clerk of the County Commission of Kanawha County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

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 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.

Section 6.10. Services Rendered to the MUC or Issuer. The MUC will not render or cause to be rendered any free services of any nature by its System; and, in the event the MUC, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself 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 MUC, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the MUC or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The Issuer or the MUC 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 user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, 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 and facilities of the System and any services and facilities of the Issuer's waterworks system, to all delinquent users of services and facilities of the System and will not

restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus penalty charges for the restoration of service, has been fully paid or an appropriate payment plan has been established.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the MUC will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The MUC will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the MUC or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Series 2010 Bonds, shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the MUC relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the MUC. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the MUC. The MUC 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 MUC shall be reported to such agent of the MUC as it shall direct.

The Issuer or the MUC shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer or the MUC shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System; and

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer or the MUC shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Accountant, shall mail upon request, and make available generally, the report of said Independent Accountant, or a summary thereof, to any Holder or Holders of Series 2010 Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The MUC shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the Issuer, 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. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The MUC shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and the Bond Insurer, if any, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.15. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sewerage portion of the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building and every such owner, tenant or occupant shall, after a 30 day notice of the availability of sewerage services of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected with the sewerage portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2010 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain Municipal Bond Insurance Policies for the Series 2010 Bonds. In the event such Municipal Bond Insurance Policies are obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2010 Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2010 Bonds and any other Bonds which may be insured by such Bond Insurer, and

shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

Section 6.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2010 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2010 Bonds during the term thereof is, under the terms of the Series 2010 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2010 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2010 Bonds during the term thereof is, under the terms of the Series 2010 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2010 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2010 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2010 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Non-purpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2010 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the Series 2010 A Bonds status as Recovery Zone Economic Development Bonds and to assure the tax-exempt status of the Series 2010 B Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it so that the Series 2010 A Bonds shall be Recovery Zone Economic Development Bonds, and shall not take any actions, or fail to take any actions, the result of which would

adversely affect such status as Recovery Zone Economic Development Bonds. The Issuer shall take any and all actions that may be required of it so that the interest on the Series 2010 B Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions, or fail to take any actions, the result of which would adversely affect such exclusion.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2010 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer; or

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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2010 Bonds, as applicable;

(D) 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2010 Bonds, and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate, 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 Series 2010 Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, 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 Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, 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 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 the Holders of the Series 2010 Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2010 Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2010 Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2010 Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2010 A Bonds and Series 2010 B Bonds, the first exchange of Series 2010 Bonds and the exchange of Series 2010 Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2010 Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2010 Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2010 Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately, provided that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2010 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument, provided that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2010 Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2010 Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2010 Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2010 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2010 Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2010 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2010 Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2010 Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Bondholder or other person, be amended, modified or supplemented in any manner which, in the opinion of Bond Counsel, does not materially adversely affect the interests of the Bondholders or any Bond Insurer, provided that, in the event any of the Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2010 Bonds

then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Series 2010 Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2010 Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2010 Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the

election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2010 Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2010 Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2010 Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER

City of St. Albans
P.O. Box 1488
St. Albans, West Virginia 25177
Attention: Mayor

REGISTRAR

[Name(s) and address(s) to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401

Charleston, West Virginia 25301
Attn: Executive Secretary

DEPOSITORY BANK
[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER
Crews & Associates, Inc.
2000 Union National Plaza
124 West Capitol
Little Rock, Arkansas 72201

BOND INSURER
[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the MUC or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2010 Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2010 Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2010 Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Designation of Series 2010 B Bonds as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Series 2010 B Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code and that not more than $30,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Series 2010 B Bonds, have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2010, all as determined in accordance with the Code. For purposes of this

paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefitting thereby shall be treated as one issuer.

Section 10.11. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.12. Table of Contents and Headlines. 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 10.13. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.14. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Charleston Gazette* and/or *Daily Mail*, newspapers published and having a general circulation in the City of St. Albans, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 4th day of October, 2010, at 7:00 p.m., in the Council Chambers of the City Hall, St. Albans and present protests, and that a certified copy of this Ordinance is on file with the City Clerk for review by interested parties during the office hours of the City Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	September 7, 2010
Second Reading:	September 20, 2010
Effective following Public Hearing held on:	October 4, 2010

[SEAL]

Mayor

ATTEST:

Barbara L. Cunningham
City Clerk

5450387

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of the CITY OF ST. ALBANS at a regular meeting of the City Council held on October 4, 2010, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in the City of St. Albans, the first publication having been not less than 10 days prior to such public hearing as supplemented by Supplemental Resolution duly adopted on December 6, 2010.

[SEAL]

Barbara Cunningham
City Clerk

5450387

EXHIBIT A - SERIES 2010 A BOND FORM

[DTC Legend]

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for

prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "City of St. Albans Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" (the "Series 2010 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 A Bonds, and (iii) to pay certain costs of issuance of the Series 2010 A Bonds and related costs. The Series 2010 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2010, and supplemented by a supplemental resolution adopted by said Council on _____, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

[The Series 2010 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by __[Bond Insurer]__.]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), DATED _____, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2010 B Bonds").

The Series 2010 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20_____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

Should the United States Treasury or any agency of the United States of America at any time cease to remit to the Issuer (or at the Issuer's direction) all or any part of the RZEDB Interest Subsidy Payments, then the right is reserved in the Issuer to redeem and retire all or any part of the principal amount of Series 2010 A Bonds then outstanding in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days written notice by regular United States Mail to the Registered Owners upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20

	Year (1)	Principal Amount

Bonds Maturing _____ 1, 20

	Year (1)	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Series 2010 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 A Bonds are to be redeemed, the Series 2010 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 A Bond or Series 2010 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 A Bonds or portions of Series 2010 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 A Bonds or portions of Series 2010 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 A Bond.

The Series 2010 A Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 B Bonds, all monies in the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account and said unexpended Series 2010 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds, and Series 2010 B Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 A Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 A Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 A Bonds of which this Series 2010 A Bond is one.

This Series 2010 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 A Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 A Bond to be dated as of the Series 2010 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]

_____

Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2010 A Bond is one of the fully registered Series 2010 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 A Bonds.

Dated: _____, 2010.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT B - SERIES 2010 B BOND FORM

[DTC Legend]

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20___ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "City of St. Albans Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B" (the "Series 2010 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 B Bonds, and (iv) to pay certain costs of issuance of the Series 2010 B Bonds and related costs. The Series 2010 B Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2010, and supplemented by a supplemental resolution adopted by said Council on _____, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of St. Albans, West Virginia.

[The Series 2010 B Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by __[Bond Insurer]__.]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING

BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (v) TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS), DATED _____, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2010 A BONDS"). The Series 2010 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20_____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20

_____ Year (1)	Principal Amount

Bonds Maturing 1, 20

	Year (1)	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Series 2010 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 B Bonds are to be redeemed, the Series 2010 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 B Bond or Series 2010 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 B Bonds or portions of Series 2010 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 B Bonds or portions of Series 2010 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 B Bond.

The Series 2010 B Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 A Bonds, all monies in the Series 2010 B Bonds Sinking Fund, and the Series 2010 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 B Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the

Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account and said unexpended Series 2010 B Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 B Bonds, including the Prior Bonds and the Series 2010 A Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 B Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 B Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 B Bonds of which this Series 2010 B Bond is one.

This Series 2010 B 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 B Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 B Bond to be dated as of the Series 2010 B Bond Date specified above.

[SEAL]

[Manual or facsimile signature]

Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2010 B Bond is one of the fully registered Series 2010 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 B Bonds.

Dated: _____, 2010.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION REDESIGNATING BONDS, PROVIDING PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE TAXABLE - COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED) OF THE CITY OF ST. ALBANS; AUTHORIZING AND APPROVING BOND PURCHASE AGREEMENTS, A COMMITMENT FOR MUNICIPAL BOND INSURANCE, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, AND OTHER INSTRUMENTS RELATING TO THE BONDS APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City Council (the "Governing Body") of the City of St. Albans (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective October 4, 2010 (the "Bond Ordinance"), entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

WHEREAS, the Issuer desired to amend the Bond Ordinance through this Supplemental Resolution (collectively, the Bond Legislation);

WHEREAS, the Ordinance provided for the issuance by the Issuer of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) in the aggregate principal amount of not more than $10,000,000 (the "Series 2010 A Bonds") and Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) in the aggregate principal amount of not more than $2,500,000 (the "Series 2010 B Bonds") (collectively, the "Series 2010 Bonds"), for the purposes of paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the System capitalizing interest on the Series 2010 Bonds, funding a reserve account for the Series 2010 Bonds and paying costs of issuance thereof, all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2010 A Bonds and Series 2010 B Bonds should be established by a supplemental resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Series 2010 A Bonds and Series 2010 B Bonds be provided for by a supplemental resolution of the Governing Body, that additional covenants and provisions relating to the Bonds be provided therein, and that other matters pertaining to the Series 2010 A Bonds and Series 2010 B Bonds be provided for by a supplemental resolution of this Governing Body;

WHEREAS, the Series 2010 A Bonds and Series 2010 B Bonds are proposed to be purchased by Crews & Associates, Inc., (the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof and in general form attached hereto and incorporated herein by reference (the "Bond Purchase Agreement");

WHEREAS, the Governing Body wishes to delegate to the Mayor the authority to approve, within the parameters set forth herein and in the Ordinance, the final terms and provisions of all documents relating to the Series 2010 A Bonds and Series 2010 B Bonds (the "Bond Documents"), without the requirement of further official action by this Governing Body; and

WHEREAS, the Governing Body deems it essential and desirable that this Supplemental Resolution be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2010 A Bonds and Series 2010 B Bonds, hereinafter described, be approved, that the Issuer's Mayor be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2010 A Bonds and Series 2010 B Bonds be herein provided for, all in accordance with said Ordinance,

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ST. ALBANS:

Section 1. The following special funds are created with and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other:

(1) Cost of Issuance Fund; and

(2) Redemption Account

Section 2. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2010 A Bonds. The Series 2010 A Bonds shall be issued in the aggregate principal amount not to exceed $10,000,000, bear interest at a true interest rate not to exceed 8% payable semiannually as shown on the Certificate of Determinations shall mature in 30 years as shown on the Certificate of Determinations, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2010 A Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Series 2010 A Bonds Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2010 A Bonds shall be as provided in the Ordinance, and the Series 2010 A Bonds shall be in substantially the form provided in the Ordinance.

Section 3. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2010 B Bonds. The Series 2010 B Bonds shall be issued in the aggregate principal amount not to exceed $2,500,000, bear interest at a true interest rate not to exceed 8% payable semiannually as shown on the Certificate of Determinations shall mature in 30 years as shown on the Certificate of Determinations, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2010 B Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Series 2010 B Bonds Determinations attached hereto as EXHIBIT B. All other provisions relating to the Series 2010 B Bonds shall be as provided in the Ordinance, and the Series 2010 B Bonds shall be in substantially the form provided in the Ordinance.

Section 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute the Bond Purchase Agreement on behalf of the Issuer with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2010 A Bonds and Series 2010 B Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 5. The Continuing Disclosure Agreement by and between the Issuer and the Original Purchaser, to be dated as of the date of delivery of the Series 2010 A Bonds and Series 2010 B Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Continuing Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 6. The Official Statement to be substantially in the form attached hereto (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby ratified and approved.

Section 7. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2010 A Bonds and Series 2010 B Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 8. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2010 A Bonds and Series 2010 B Bonds.

Section 9. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia for the purpose of serving in the capacity of Registrar.

Section 10. The Issuer does hereby appoint and designate the United Bank, Inc., St. Albans, West Virginia as the depository Bank.

Section 11. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 12. The notice addresses for the Registrar, Paying Agent and Original Purchaser shall be as follows:

REGISTRAR

United Bank, Inc.
Charleston, West Virginia

PAYING AGENT

West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 400
Charleston, West Virginia 25301
Attention: Executive Director

ORIGINAL PURCHASER

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, West Virginia 25301
Attention: Public Finance

Section 13. The Mayor and Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, including a tax and arbitrage certificate, required or desirable in connection with the Series 2010 A Bonds and Series 2010 B Bonds issue to the end that the Series 2010 A Bonds and Series 2010 B Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

Section 14. The St. Albans Municipal Utility Commission is hereby authorized to approve invoices and requests for payment for the Project.

Section 15. The financing of the project with proceeds of the Series 2010 A Bonds and Series 2010 B 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 16. Upon approval by the Mayor, the Issuer may purchase insurance, as permitted by Section 6.18 of the Bond Legislation, and in such case the covenants and provisions to be required by the Bond Insurer as a condition precedent to issuance of its Insurance Policy for the Bonds are hereby set forth in Exhibit C, attached hereto and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Bond Legislation and applicable to the Bonds:

Section 17. This Supplemental Resolution shall be effective immediately.

[Remainder of Page Intentionally Left Blank]

Adopted this 6th day of December, 2010.

Mayor

5443891

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the Council of the CITY OF ST. ALBANS on the 6th day of December, 2010.

Dated: December 23, 2010

[SEAL]

Barbara Cunningham
Clerk

858350.00006

5443891

EXHIBIT A

FORM OF CERTIFICATE OF SERIES 2010 A BONDS DETERMINATIONS

CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

CERTIFICATE OF DETERMINATIONS

The undersigned, Richard Callaway, Mayor of the City of St. Albans (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Council of the Issuer on December 6, 2010 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds"), hereby finds and determines as follows:

1. The Series 2010 A Bonds shall be dated the date of closing thereon (estimated to be ___ ____, 2010) and shall bear interest on _____ **and** _____ **of each year commencing** _____**, 2010.**

2. The Series 2010 A Bonds shall be issued in the aggregate principal amount of $_____, at a true interest cost of _____%. Such interest rate does not exceed _8%, being the maximum true interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2010 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2010 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2010 A Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2010 A Bonds shall be sold to Crews & Associates, Inc., (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount of $_____).

7. The forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2010 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2010 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature this _____ day of December, 2010.

CITY OF ST. ALBANS

By: _____
Its: Mayor

Schedule 1

SERIES 2010 A BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (December 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
AR-1	December 1	$_____	_____%	_____%	_____

Schedule 2

Redemption Provisions:

Optional Redemption

The Series 2010 A Bonds maturing on or after _____, 20___, are subject to redemption on or after _____, 20___, at the option of the Governing Body, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at the applicable Redemption Price (expressed as a percentage of principal amount to be so redeemed) set forth in the table below, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period	**Redemption Price**
_____, 20___ and thereafter	100%

In the event of such optional redemption, the Governing Body may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

EXHIBIT B

FORM OF CERTIFICATE OF SERIES 2010 B BONDS DETERMINATIONS

CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B
(BANK QUALIFIED)

CERTIFICATE OF DETERMINATIONS

The undersigned, Richard Callaway, Mayor of the City of St. Albans (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Council of the Issuer on December 6, 2010 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (the "Series 2010 B Bonds"), hereby finds and determines as follows:

1. The Series 2010 B Bonds shall be dated the date of closing thereon (estimated to be _____, 2010) and shall bear interest on _____ **and** _____ **of each year commencing** _____**, 2010.**

2. The Series 2010 B Bonds shall be issued in the aggregate principal amount of $_____, at a true interest cost of _____%. Such interest rate does not exceed 8%, being the maximum true interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2010 B Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2010 B Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2010 B Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2010 B Bonds shall be sold to Crews & Associates, Inc., (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount of $_____).

7. The forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2010 B Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2010 B Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature this ____ day of December, 2010.

CITY OF ST. ALBANS

By: _____
Its: Mayor

Schedule 1

SERIES 2010 B BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (December 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
BR-1		$_____	_____%	_____%	_____
BR-2		$_____	_____%	_____%	_____

Schedule 2

Redemption Provisions:

Optional Redemption

The Series 2010 B Bonds maturing on or after _____, 20___, are subject to redemption on or after _____, 20___, at the option of the Governing Body, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at the applicable Redemption Price (expressed as a percentage of principal amount to be so redeemed) set forth in the table below, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period	**Redemption Price**
_____, 20___ and thereafter	100%

In the event of such optional redemption, the Governing Body may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

CITY OF ST. ALBANS
$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

CERTIFICATE OF DETERMINATIONS

The undersigned, Richard Callaway, Mayor of the City of St. Albans (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Council of the Issuer on December 6, 2010 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds") and Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (the "Series 2010 B Bonds" and together with the Series 2010 A Bonds, the "Series 2010 Bonds"), hereby finds and determines this 17th day of December, 2010 as follows:

1. The Series 2010 Bonds shall be dated the date of closing thereon (estimated to be December 23, 2010) and shall bear interest on June 1 and December 1 of each year commencing June 1, 2011.

2. The Series 2010 Bonds shall be issued in the aggregate principal amount of $8,420,000, at a true interest cost of 4.7854776%. Such interest rate does not exceed 8.0%, being the maximum true interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2010 Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2010 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2010 Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2010 Bonds shall be sold to Crews & Associates, Inc., (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $8,100,845.50 (representing par value of $8,420,000.00 less an Underwriter's discount of $210,500.00 and a net original issue discount of $108,654.50).

7. The forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2010 Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2010 Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

CITY OF ST. ALBANS

By: _____
Its: Mayor

Schedule 1

SERIES 2010 A BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (October 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
AR-1	12/1/2020	$1,435,000	6.750%	6.750%	787175 CB2
AR-2	12/1/2025	$1,200,000	7.750%	7.750%	787175 CC0
AR-3	12/1/2030	$1,485,000	8.000%	8.000%	787175 CD8
AR-4	12/1/2035	$1,840,000	8.250%	8.500%	787175 CE6
AR-5	12/1/2040	$2,310,000	8.500%	8.750%	787175 CF3

SERIES 2010 B BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (October 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
BR-1	12/1/2013	$150,000	4.500%	4.500%	787175 CG1

Schedule 2

Redemption Provisions:

Optional Redemption – Series 2010 A Bonds

The Series 2010 A Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 A Bonds shall be called for optional redemption, the particular maturities of the Series 2010 A Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Optional Redemption – Series 2010 B Bonds

The Series 2010 B Bonds are non-callable.

Mandatory Redemption – Series 2010 A Bonds

The Series 2010 A Bonds maturing December 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2013, and on each December 1 thereafter to and including December 1, 2020, in annual principal amounts as follows:

Year	Amount
2013	$95,000
2014	$170,000
2015	$175,000
2016	$185,000
2017	$190,000
2018	$200,000
2019	$205,000
2020*	$215,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2020, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2021, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

Year	Amount
2021	$220,000
2022	$230,000
2023	$240,000
2024	$250,000
2025*	$260,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2025, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2030, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2026, and on each December 1 thereafter to and including December 1, 2030, in annual principal amounts as follows:

Year	Amount
2026	$270,000
2027	$285,000
2028	$295,000
2029	$310,000
2030*	$325,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2030, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2031, and on each December 1 thereafter to and including December 1, 2035, in annual principal amounts as follows:

Year	Amount
2031	$335,000
2032	$350,000
2033	$370,000
2034	$385,000
2035*	$400,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2035, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the

mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2040, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2036, and on each December 1 thereafter to and including December 1, 2040, in annual principal amounts as follows:

Year	Amount
2036	$420,000
2037	$440,000
2038	$460,000
2039	$485,000
2040*	$505,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2040, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

Mandatory Redemption – Series 2010 B Bonds

The Series 2010 B Bonds maturing December 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 B Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2012 and December 1, 2013, in annual principal amounts as follows:

Year	Amount
2012	$80,000
2013*	$70,000

*Denotes Final Maturity

The principal amount of Series 2010 B Bonds maturing December 1, 2013, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 B Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

Extraordinary Optional Redemption of Series 2010 A Bonds

The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the

Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

CITY OF ST. ALBANS (WEST VIRGINIA)

$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 23rd day of December, the undersigned, Gregory B. Isaacs, Senior Managing Director of Crews & Associates, Inc. (the "Underwriter"), for and on behalf of the Underwriter, and the Mayor of the City of St. Albans (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 23rd day of December, 2010, in Charleston, West Virginia, the Underwriter received the entire original issue of $8,270,000 in aggregate principal amount of the City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds") and received the entire original issue of $150,000 in aggregate principal amount of the City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds" and collectively with the Series 2010 A Bonds, the "Bonds"). The Series 2010 A Bonds, as so received on original issuance, are in various denominations, are all dated December 23, 2010, and are numbered from AR-1, upward in order of maturity to AR-5, and are registered in the name of "CEDE & CO." The Series 2010 B Bonds, as so received on original issuance, are dated December 23, 2010, and are numbered BR-1, and are registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds, they had been executed by the Mayor of the Issuer by his manual signature, and the official seal of the Issuer had been impressed upon each Bond and attested by the Clerk of the Issuer by his manual signature, and had been authenticated by an authorized officer of United Bank, Inc., as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Underwriter, as the original purchaser of the Bonds, the proceeds of the Bonds, as follows:

Par Amount	$8,420,000.00
Less: Original Issue Discount	(108,654.50)
Less: Deposit to Capitalized Interest Fund	(529,506.63)
Less: Underwriters Discount	(210,500.00)
Less: Deposit to Debt Service Reserve Fund	(531,282.50)
Less: Costs of Issuance and Rounding Amount	(90,056.37)
Total	$6,950,000.00

3

5443893

Payment for the Bonds was made in immediately available funds (federal funds wire) in the amount of $6,950,000.00.

[Remainder of Page Intentionally Blank]

WITNESS our respective signatures as of the day and year first stated above.

CREWS & ASSOCIATES, INC.

By:_____
Its: Senior Managing Director

CITY OF ST. ALBANS

By:_____
Its: Mayor

08.18.10
858350.00006

5443893

CITY OF ST. ALBANS (WEST VIRGINIA)

$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

DIRECTION TO AUTHENTICATE, REGISTER AND DELIVER BONDS

United Bank, Inc., as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On the 23rd day of December, 2010, there are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bonds Nos. AR-1 through AR-5, inclusive, constituting the entire original issue of the City of St. Albans Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), dated December 23, 2010, in the aggregate principal amount of $8,270,000, and Bonds No. BR-1, constituting the entire original issue of the City of St. Albans Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified), dated December 23, 2010, in the aggregate principal amount of $150,000 (collectively, the "Bonds"), executed by the Mayor and Clerk of the City of St. Albans (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to an Ordinance enacted by the Issuer on October 4, 2010, as supplemented by a Supplemental Parameters Resolution adopted by the Issuer on December 6, 2010 (collectively, the "Bond Legislation").

2. Copies of the Bond Legislation, certified by the Clerk of the Issuer.

3. The signed, unqualified approving opinions of Steptoe & Johnson PLLC, as bond counsel.

You are hereby requested and authorized, pursuant to Section 3.12 of the Bond Legislation, to authenticate, register in the name of CEDE & CO., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC") and deliver the Bonds to DTC, for the account of Crews & Associates, Inc., as the original purchaser thereof.

Dated as of the day and year first stated above.

CITY OF ST. ALBANS

By: _____
Its: Mayor

08.18.10
858350.00006

5443895

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-1 $1,435,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
6.750%	12/1/2020	12/23/2010	787175 CB2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2011 (each an "Interest Payment Date"), until maturity or until the date fixed for

redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $8,270,000 designated "City of St. Albans Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" (the "Series 2010 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 23, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 Bonds, (iii) to capitalize interest on the Series 2010 Bonds, and (iv) to pay certain costs of issuance of the Series 2010 Bonds and related costs. The Series 2010 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on October 4, 2010, and supplemented by a supplemental resolution adopted by said Council on December 6, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15,

2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), DATED DECEMBER 23, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,000 (THE "SERIES 2010 B BONDS").

The Series 2010 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2010 A Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 A Bonds shall be called for optional redemption, the particular maturities of the Series 2010 A Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Should the United States Treasury or any agency of the United States of America at any time cease to remit to the Issuer (or at the Issuer's direction) all or any part of the RZEDB Interest Subsidy Payments, then the right is reserved in the Issuer to redeem and retire all or any part of the principal amount of Series 2010 A Bonds then outstanding in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days written notice by regular United States Mail to the Registered Owners upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

(B) Mandatory Sinking Fund Redemption. The Series 2010 A Bonds maturing December 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2013, and on each December 1 thereafter to and including December 1, 2020, in annual principal amounts as follows:

Year	Amount
2013	$95,000
2014	$170,000
2015	$175,000
2016	$185,000
2017	$190,000

2018	$200,000
2019	$205,000
2020*	$215,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2020, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2021, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

Year	Amount
2021	$220,000
2022	$230,000
2023	$240,000
2024	$250,000
2025*	$260,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2025, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2030, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2026, and on each December 1 thereafter to and including December 1, 2030, in annual principal amounts as follows:

Year	Amount
2026	$270,000
2027	$285,000
2028	$295,000
2029	$310,000
2030*	$325,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2030, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2031, and on each December 1 thereafter to and including December 1, 2035, in annual principal amounts as follows:

Year	Amount
2031	$335,000
2032	$350,000
2033	$370,000
2034	$385,000
2035*	$400,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2035, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2040, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2036, and on each December 1 thereafter to and including December 1, 2040, in annual principal amounts as follows:

Year	Amount
2036	$420,000
2037	$440,000
2038	$460,000
2039	$485,000
2040*	$505,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2040, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

(C) Extraordinary Optional Redemption of Series 2010 A Bonds. The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added

by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

In the event of any redemption of less than all outstanding Series 2010 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 A Bonds are to be redeemed, the Series 2010 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 A Bond or Series 2010 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 A Bonds or portions of Series 2010 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 A Bonds or portions of Series 2010 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 A Bond.

The Series 2010 A Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 B Bonds, all monies in the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account and said unexpended Series 2010 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and

maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds, and Series 2010 B Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 A Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 A Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 A Bonds of which this Series 2010 A Bond is one.

This Series 2010 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 A Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 A Bond to be dated as of the Series 2010 A Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2010 A Bond is one of the fully registered Series 2010 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 A Bonds.

Dated: December 23, 2010.

UNITED BANK, INC.,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-2

$1,200,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
7.750%	12/1/2025	12/23/2010	787175 CC0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2011 (each an "Interest Payment Date"), until maturity or until the date fixed for

redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $8,270,000 designated "City of St. Albans Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" (the "Series 2010 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 23, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 Bonds, (iii) to capitalize interest on the Series 2010 Bonds, and (iv) to pay certain costs of issuance of the Series 2010 Bonds and related costs. The Series 2010 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on October 4, 2010, and supplemented by a supplemental resolution adopted by said Council on December 6, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15,

2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), DATED DECEMBER 23, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,000 (THE "SERIES 2010 B BONDS").

The Series 2010 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2010 A Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 A Bonds shall be called for optional redemption, the particular maturities of the Series 2010 A Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Should the United States Treasury or any agency of the United States of America at any time cease to remit to the Issuer (or at the Issuer's direction) all or any part of the RZEDB Interest Subsidy Payments, then the right is reserved in the Issuer to redeem and retire all or any part of the principal amount of Series 2010 A Bonds then outstanding in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days written notice by regular United States Mail to the Registered Owners upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

(B) Mandatory Sinking Fund Redemption. The Series 2010 A Bonds maturing December 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2013, and on each December 1 thereafter to and including December 1, 2020, in annual principal amounts as follows:

Year	Amount
2013	$95,000
2014	$170,000
2015	$175,000
2016	$185,000
2017	$190,000

2018	$200,000
2019	$205,000
2020*	$215,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2020, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2021, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

Year	Amount
2021	$220,000
2022	$230,000
2023	$240,000
2024	$250,000
2025*	$260,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2025, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2030, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2026, and on each December 1 thereafter to and including December 1, 2030, in annual principal amounts as follows:

Year	Amount
2026	$270,000
2027	$285,000
2028	$295,000
2029	$310,000
2030*	$325,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2030, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2031, and on each December 1 thereafter to and including December 1, 2035, in annual principal amounts as follows:

Year	Amount
2031	$335,000
2032	$350,000
2033	$370,000
2034	$385,000
2035*	$400,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2035, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2040, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2036, and on each December 1 thereafter to and including December 1, 2040, in annual principal amounts as follows:

Year	Amount
2036	$420,000
2037	$440,000
2038	$460,000
2039	$485,000
2040*	$505,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2040, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

(C) Extraordinary Optional Redemption of Series 2010 A Bonds. The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added

by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

In the event of any redemption of less than all outstanding Series 2010 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 A Bonds are to be redeemed, the Series 2010 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 A Bond or Series 2010 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 A Bonds or portions of Series 2010 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 A Bonds or portions of Series 2010 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 A Bond.

The Series 2010 A Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 B Bonds, all monies in the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account and said unexpended Series 2010 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and

maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds, and Series 2010 B Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 A Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 A Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 A Bonds of which this Series 2010 A Bond is one.

This Series 2010 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 A Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 A Bond to be dated as of the Series 2010 A Bond Date specified above.

[SEAL]

Mayor

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2010 A Bond is one of the fully registered Series 2010 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 A Bonds.

Dated: December 23, 2010.

UNITED BANK, INC.,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-3 $1,485,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
8.000%	12/1/2030	12/23/2010	787175 CD8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2011 (each an "Interest Payment Date"), until maturity or until the date fixed for

redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $8,270,000 designated "City of St. Albans Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" (the "Series 2010 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 23, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 Bonds, (iii) to capitalize interest on the Series 2010 Bonds, and (iv) to pay certain costs of issuance of the Series 2010 Bonds and related costs. The Series 2010 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on October 4, 2010, and supplemented by a supplemental resolution adopted by said Council on December 6, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15,

2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), DATED DECEMBER 23, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,000 (THE "SERIES 2010 B BONDS").

The Series 2010 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2010 A Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 A Bonds shall be called for optional redemption, the particular maturities of the Series 2010 A Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Should the United States Treasury or any agency of the United States of America at any time cease to remit to the Issuer (or at the Issuer's direction) all or any part of the RZEDB Interest Subsidy Payments, then the right is reserved in the Issuer to redeem and retire all or any part of the principal amount of Series 2010 A Bonds then outstanding in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days written notice by regular United States Mail to the Registered Owners upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

(B) Mandatory Sinking Fund Redemption. The Series 2010 A Bonds maturing December 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2013, and on each December 1 thereafter to and including December 1, 2020, in annual principal amounts as follows:

Year	Amount
2013	$95,000
2014	$170,000
2015	$175,000
2016	$185,000
2017	$190,000

2018	$200,000
2019	$205,000
2020*	$215,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2020, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2021, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

Year	Amount
2021	$220,000
2022	$230,000
2023	$240,000
2024	$250,000
2025*	$260,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2025, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2030, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2026, and on each December 1 thereafter to and including December 1, 2030, in annual principal amounts as follows:

Year	Amount
2026	$270,000
2027	$285,000
2028	$295,000
2029	$310,000
2030*	$325,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2030, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2031, and on each December 1 thereafter to and including December 1, 2035, in annual principal amounts as follows:

Year	Amount
2031	$335,000
2032	$350,000
2033	$370,000
2034	$385,000
2035*	$400,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2035, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2040, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2036, and on each December 1 thereafter to and including December 1, 2040, in annual principal amounts as follows:

Year	Amount
2036	$420,000
2037	$440,000
2038	$460,000
2039	$485,000
2040*	$505,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2040, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

(C) Extraordinary Optional Redemption of Series 2010 A Bonds. The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added

by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

In the event of any redemption of less than all outstanding Series 2010 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 A Bonds are to be redeemed, the Series 2010 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 A Bond or Series 2010 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 A Bonds or portions of Series 2010 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 A Bonds or portions of Series 2010 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 A Bond.

The Series 2010 A Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 B Bonds, all monies in the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account and said unexpended Series 2010 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and

maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds, and Series 2010 B Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 A Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 A Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 A Bonds of which this Series 2010 A Bond is one.

This Series 2010 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 A Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 A Bond to be dated as of the Series 2010 A Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

Barbara L. Cunningham

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2010 A Bond is one of the fully registered Series 2010 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 A Bonds.

Dated: December 23, 2010.

UNITED BANK, INC.,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-4 $1,840,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
8.250%	12/1/2035	12/23/2010	787175 CE6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION EIGHT HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2011 (each an "Interest Payment Date"), until maturity or until the date fixed for

redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $8,270,000 designated "City of St. Albans Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" (the "Series 2010 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 23, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 Bonds, (iii) to capitalize interest on the Series 2010 Bonds, and (iv) to pay certain costs of issuance of the Series 2010 Bonds and related costs. The Series 2010 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on October 4, 2010, and supplemented by a supplemental resolution adopted by said Council on December 6, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15,

2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), DATED DECEMBER 23, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,000 (THE "SERIES 2010 B BONDS").

The Series 2010 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2010 A Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 A Bonds shall be called for optional redemption, the particular maturities of the Series 2010 A Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Should the United States Treasury or any agency of the United States of America at any time cease to remit to the Issuer (or at the Issuer's direction) all or any part of the RZEDB Interest Subsidy Payments, then the right is reserved in the Issuer to redeem and retire all or any part of the principal amount of Series 2010 A Bonds then outstanding in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days written notice by regular United States Mail to the Registered Owners upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

(B) Mandatory Sinking Fund Redemption. The Series 2010 A Bonds maturing December 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2013, and on each December 1 thereafter to and including December 1, 2020, in annual principal amounts as follows:

Year	Amount
2013	$95,000
2014	$170,000
2015	$175,000
2016	$185,000
2017	$190,000

2018	$200,000
2019	$205,000
2020*	$215,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2020, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2021, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

Year	Amount
2021	$220,000
2022	$230,000
2023	$240,000
2024	$250,000
2025*	$260,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2025, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2030, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2026, and on each December 1 thereafter to and including December 1, 2030, in annual principal amounts as follows:

Year	Amount
2026	$270,000
2027	$285,000
2028	$295,000
2029	$310,000
2030*	$325,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2030, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2031, and on each December 1 thereafter to and including December 1, 2035, in annual principal amounts as follows:

Year	Amount
2031	$335,000
2032	$350,000
2033	$370,000
2034	$385,000
2035*	$400,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2035, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2040, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2036, and on each December 1 thereafter to and including December 1, 2040, in annual principal amounts as follows:

Year	Amount
2036	$420,000
2037	$440,000
2038	$460,000
2039	$485,000
2040*	$505,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2040, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

(C) Extraordinary Optional Redemption of Series 2010 A Bonds. The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added

by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

In the event of any redemption of less than all outstanding Series 2010 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 A Bonds are to be redeemed, the Series 2010 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 A Bond or Series 2010 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 A Bonds or portions of Series 2010 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 A Bonds or portions of Series 2010 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 A Bond.

The Series 2010 A Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 B Bonds, all monies in the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account and said unexpended Series 2010 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and

maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds, and Series 2010 B Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 A Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 A Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 A Bonds of which this Series 2010 A Bond is one.

This Series 2010 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 A Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 A Bond to be dated as of the Series 2010 A Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2010 A Bond is one of the fully registered Series 2010 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 A Bonds.

Dated: December 23, 2010.

UNITED BANK, INC.,
As Registrar,

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-5 $2,310,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
8.500%	12/1/2040	12/23/2010	787175 CF3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO MILLION THREE HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2011 (each an "Interest Payment Date"), until maturity or until the date fixed for

redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $8,270,000 designated "City of St. Albans Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" (the "Series 2010 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 23, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 Bonds, (iii) to capitalize interest on the Series 2010 Bonds, and (iv) to pay certain costs of issuance of the Series 2010 Bonds and related costs. The Series 2010 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on October 4, 2010, and supplemented by a supplemental resolution adopted by said Council on December 6, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15,

2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), DATED DECEMBER 23, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $150,000 (THE "SERIES 2010 B BONDS").

The Series 2010 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2010 A Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 A Bonds shall be called for optional redemption, the particular maturities of the Series 2010 A Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Should the United States Treasury or any agency of the United States of America at any time cease to remit to the Issuer (or at the Issuer's direction) all or any part of the RZEDB Interest Subsidy Payments, then the right is reserved in the Issuer to redeem and retire all or any part of the principal amount of Series 2010 A Bonds then outstanding in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days written notice by regular United States Mail to the Registered Owners upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

(B) Mandatory Sinking Fund Redemption. The Series 2010 A Bonds maturing December 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2013, and on each December 1 thereafter to and including December 1, 2020, in annual principal amounts as follows:

Year	Amount
2013	$95,000
2014	$170,000
2015	$175,000
2016	$185,000
2017	$190,000

2018	$200,000
2019	$205,000
2020*	$215,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2020, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2021, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

Year	Amount
2021	$220,000
2022	$230,000
2023	$240,000
2024	$250,000
2025*	$260,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2025, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2030, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2026, and on each December 1 thereafter to and including December 1, 2030, in annual principal amounts as follows:

Year	Amount
2026	$270,000
2027	$285,000
2028	$295,000
2029	$310,000
2030*	$325,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2030, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2031, and on each December 1 thereafter to and including December 1, 2035, in annual principal amounts as follows:

Year	Amount
2031	$335,000
2032	$350,000
2033	$370,000
2034	$385,000
2035*	$400,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2035, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2040, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2036, and on each December 1 thereafter to and including December 1, 2040, in annual principal amounts as follows:

Year	Amount
2036	$420,000
2037	$440,000
2038	$460,000
2039	$485,000
2040*	$505,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2040, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

(C) Extraordinary Optional Redemption of Series 2010 A Bonds. The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added

by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

In the event of any redemption of less than all outstanding Series 2010 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 A Bonds are to be redeemed, the Series 2010 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 A Bond or Series 2010 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 A Bonds or portions of Series 2010 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 A Bonds or portions of Series 2010 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 A Bond.

The Series 2010 A Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 B Bonds, all monies in the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account and said unexpended Series 2010 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and

maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds, and Series 2010 B Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 A Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 A Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 A Bonds of which this Series 2010 A Bond is one.

This Series 2010 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 A Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 A Bond to be dated as of the Series 2010 A Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2010 A Bond is one of the fully registered Series 2010 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 A Bonds.

Dated: December 23, 2010.

UNITED BANK, INC.,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-1 $150,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
4.500%	12/1/2013	12/23/2010	787175 CG1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date,

then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2011 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $150,000 designated "City of St. Albans Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B" (the "Series 2010 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 23, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 Bonds, (iii) to capitalize interest on the Series 2010 Bonds, and (iv) to pay certain costs of issuance of the Series 2010 Bonds and related costs. The Series 2010 B Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on October 4, 2010, and supplemented by a supplemental resolution adopted by said Council on December 6, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented

from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS), DATED DECEMBER 23, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,270,000 (THE "SERIES 2010 A BONDS"). The Series 2010 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2010 B Bonds are non-callable.

(B) Mandatory Sinking Fund Redemption. The Series 2010 B Bonds maturing December 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 B Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2012 and December 1, 2013, in annual principal amounts as follows:

Year	Amount
2012	$80,000
2013*	$70,000

*Denotes Final Maturity

The principal amount of Series 2010 B Bonds maturing December 1, 2013, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 B Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

In the event of any redemption of less than all outstanding Series 2010 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 B Bonds are to be redeemed, the Series 2010 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 B Bond or Series 2010 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 B Bonds or portions of Series 2010 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 B Bonds or portions of Series 2010 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 B Bond.

The Series 2010 B Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 A Bonds, all monies in the Series 2010 B Bonds Sinking Fund, and the Series 2010 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 B Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account and said unexpended Series 2010 B Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby,

which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 B Bonds, including the Prior Bonds and the Series 2010 A Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 B Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 B Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 B Bonds of which this Series 2010 B Bond is one.

This Series 2010 B 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 B Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 B Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 B Bond to be dated as of the Series 2010 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2010 B Bond is one of the fully registered Series 2010 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 B Bonds.

Dated: December 23, 2010.

UNITED BANK, INC.,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 2nd day of December 2010.

CASE NO. 10-1337-W-CN

ST. ALBANS MUNICIPAL UTILITY COMMISSION
a municipal utility, St. Albans, Kanawha County.
Application for a Certificate of convenience and necessity to construct certain improvements to its existing potable water distribution system.

COMMISSION ORDER

The Commission approves the application for a certificate of convenience and necessity and proposed financing.

BACKGROUND

On July 28, 2010, in Case No. 10-1174-W-PW, the City of St. Albans Municipal Utility Commission (St. Albans) filed a notice of intent to file an application for a certificate of convenience and necessity pursuant to W.Va. Code § 24-2-11(c). Utilities are required to give the Commission thirty days notice of intent to file a certificate application. In the same July 28, 2010 filing, St. Albans requested that the Commission waive the thirty-day notice requirement. St. Albans requested the waiver because it intended to use Build America Bonds (the Bonds) to fund the intended project.[1] On August 6, 2010, Commission Staff filed an Initial and Final Joint Staff Memorandum stating no objection to the requested waiver. On August 23, 2010, the Commission entered an Order waiving the required thirty days notice of filing.

On August 23, 2010, with the present case designation, St. Albans filed an application for a certificate of convenience and necessity to construct certain upgrades to its existing potable water distribution system. The proposed improvements consist of the installation of approximately 2,265 feet of 12-inch, 20 feet of 8-inch, 35,000 feet of 6-inch, and 1,500 feet of 2-inch water line, along

[1]Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) (Enacted February 17, 2009), added § 54AA to the Internal Revenue Code, authorizing state and local governments, at their option, to issue two different types of Build America Bonds. Generally speaking, one type provides a substantial tax credit to investors, while the second type provides a Federal subsidy paid directly to state and local governments. Both types of bonds, however, must be issued before January 1, 2011.

with necessary valves and appurtenances. The new water lines will replace existing deteriorated lines.

On August 23, 2010, the Commission ordered St. Albans to publish notice of the filing of its application once in a qualified newspaper as provided in W.Va. Code § 59-3-1 et seq., published and of general circulation in counties where St. Albans provides service, making due return to the Commission of proper certification of publication within thirty days from the date of that publication. St. Albans returned affidavits of publication on September 30, 2010, reflecting publication of a Notice of Filing in the Charleston Daily Mail on August 30, 2010.

On September 24, 2010, Staff filed its Initial Joint Staff Memorandum requesting that St. Albans provide certain information concerning the construction cost estimates to allow Staff to move forward with its evaluation of the certificate application. Staff noted that the cost of each of the three contracts listed in the itemized construction cost estimates do not match the costs of the contracts listed in the total project cost breakdown. In order for Staff to complete its review, St. Albans will need to provide itemized cost estimates which match the overall cost estimates.

On October 13, 2010, the Commission entered an order that required Staff to file its final recommendations by November 8, 2010, in order to facilitate the proposed issuance of the Bonds by December 31, 2010.

On October 19, 2010, St. Albans filed revised cash flow and debt information for the fiscal year ending June 30, 2009, and detailed cost estimates related to the proposed project, intended to allow Staff to continue its evaluation of the case.

On November 8, 2010, Staff filed its final recommendation. Pursuant to W.Va.Code § 24-2-11, Staff recommends the following:

1. The Commission grant its consent and approval for the Certificate of Convenience and Necessity for the proposed three phase water system and improvement project.

2. St. Albans be granted authorization to accept and utilize Build America Bond issues in an amount not to exceed $12,500,000, at an interest rate not to exceed 5.5 percent, for a term not to exceed forty years.

3. Because this project has not been approved by the WVIJDC, St. Albans is to be required to petition for re-opening of this matter for adjustments and further Commission approvals for any changes in the plans, scope, terms of financing, or any changes in rates associated with the project.

4. St. Albans is to be required to file a copy of the Engineer's certified tabulation of bids for all contracts or vendor bids associated with this project within ten days of the bid opening date.

5. St. Albans be required to file copies of a "Certificate of Substantial Completion" for each phase of the proposed project.

DISCUSSION

The Commission has reviewed this case and will grant the application of St. Albans for a certificate of convenience and necessity. The Commission will also authorize the use by St. Albans of Build America Bonds in an amount not to exceed $12.5 million, an annual interest rate not to exceed 5.5 percent and for a term not to exceed forty years to finance the project. The authorization is subject to the conditions recommended by Staff which are hereby adopted by the Commission.

FINDINGS OF FACT

1. St. Albans has applied for Commission approval for a certificate of convenience and necessity for a proposed upgrade to the St. Albans potable water distribution system and to make use of Build America Bonds to finance the project. Certificate Application, August 23, 2010.

2. The St. Albans potable water distribution system is currently experiencing an average of thirty percent unaccounted-for water and an increasing number of leak repairs due largely to the fact that much of the system is in excess of eighty years old and in need of upgrades.

CONCLUSION OF LAW

It is reasonable to grant St. Albans the certificate of convenience and necessity to undertake the proposed improvement project and to authorize St. Albans to finance the project through the use of Build America Bonds consistent with the Staff recommendations.

ORDER

IT IS THEREFORE ORDERED that the application of the City of St. Albans Municipal Utility Commission for a certificate of convenience and necessity for a three-phase upgrade to its existing potable water distribution system is approved.

IT IS FURTHER ORDERED that the City of St. Albans Municipal Utility Commission is authorized to use Build America Bonds in an amount not to exceed $12,500,000, at an interest rate not to exceed 5.5 percent, and for a term not to exceed forty years to finance the proposed upgrade to its existing potable water distribution system.

IT IS FURTHER ORDERED that if there are any changes in the plans, scope, terms of financing, or any changes in rates associated with the project, the City of St. Albans Municipal

Utility Commission is required to petition for re-opening of this matter for further Commission approvals for such changes.

IT IS FURTHER ORDERED that the City of St. Albans Municipal Utility Commission is required to file a copy of the Engineer's certified tabulation of bids for all contracts or vendor bids associated with this project within ten days of the bid opening date.

IT IS FURTHER ORDERED that the City of St. Albans Municipal Utility Commission is required to file a "Certificate of Substantial Completion" for each phase of the proposed project.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire
Executive Secretary

RWC:tt
101337ca.wpd

AN ORDINANCE AMENDING THE CHARTER OF THE CITY OF ST. ALBANS AS FOLLOWS: "SECTION 6. ELIGIBILITY TO OFFICE; SECTION 18. WARDS AND VOTING PRECINCTS ESTABLISHED; SECTION 19. ELECTIONS GENERALLY; SECTION 20 NOMINATIONS OF OFFICERS; AND THE CODIFIED ORDINANCES OF THE CITY OF ST. ALBANS AS FOLLOWS: SECTION 103.06 CONDUCT OF ELECTIONS; SELECTION OF POLL WORKERS; OATH OF OFFICE; AND 103.08 WARDS AND VOTING PRECINCTS. .

2008-19
Ordinance Number

WHEREAS, due to changes in State law, the Charter of the City must be amended to bring it into compliance with State law; and

WHEREAS, *West Virginia Code §8-4-8*, as amended, authorizes amendment of the Charter by ordinance, following public hearing, in accordance with the terms of said statute.

NOW, THEREFORE, **BE IT ORDAINED** by the Council of the City of St. Albans, West Virginia that the following Changes to the Charter and Codified Ordinances be enacted and adopted:

"CHARTER OF THE CITY OF ST. ALBANS:

SECTION 6. ELIGIBILITY TO OFFICE

No person shall be eligible to any elective office unless he resides in the City. No person shall be eligible for the office of Councilman, representing a particular ward, unless he resides in the said ward. The eligibility of any person to any office, or to retain and hold the same, shall be determined under the general law of the State of West Virginia, except as herein otherwise provided.

SECTION 18. WARDS AND VOTING PRECINCTS ESTABLISHED
The number of City wards and the composition thereof are set forth and established in Section 103.08 of the Administrative Code of the Codified Ordinances of the City of St. Albans.

SECTION 19. ELECTIONS GENERALLY

Elections shall be conducted pursuant to and in accordance with the statutes of the State of West Virginia. The first election held pursuant to this amendment to the Charter shall be a primary election, to be held on the 1st Saturday of April, 2009, followed by a general election to be held on the 1st Saturday in June, 2009, for a Mayor and twelve (12)

Councilmen, being one (1) Councilman from each of the nine (9) wards of the City and three (3) Councilmen at large, only one (1) Councilman at large shall be elected from any one (1) ward. Said officers shall take office on July 1, 2009, for a full term of four (4) years. Regular elections shall be held each four (4) years thereafter. The present Council shall be the judge of the first election to be held hereunder, and the Council thereafter shall be the judge of the election returns and qualifications of the Mayor, its own members and any other person elected to office in the City. The Council may determine the conduct of elections and the results thereof, so long as such acts are consistent with the general law of the State referring thereto. Qualifications of voters shall be determined under the general law of the State of West Virginia. In the event of a tie vote for any office the Council shall resolve such tie by lot."

SECTION 20. NOMINATION OF OFFICERS

Nomination shall be made by a primary election to be held on the first Saturday in April preceding the general election. In the event no nominee files for any office to be nominated in the primary election a candidate therefore may be named by the executive committee of his or her respective party and such candidate shall be certified by the chairman of such executive committee to the Clerk at least fifty-five (55) days prior to the general election. In the event any candidate for nomination at the primary election should withdraw or die prior to the primary election, a candidate for such office may be named by the executive committee of his or her respective party, and such candidate shall be certified by the chairman of such executive committee not later than fifty-five (55) days prior to the general election. In the event any nominee for the office should withdraw or die after being nominated at a primary election but not less than fifty-five (55) days prior to the general election, a candidate shall be certified by the chairman of such executive committee to the Clerk not less than fifty-five (55) days prior to the general election.

Any qualified person may become a candidate for any office in the primary election by, filing therefore with the Clerk of the City of St. Albans a statement of candidacy between January 5 and January 23 during regular business hours of the Clerk during the year of the primary election and by paying to said Clerk such filing fee as may be set by Council.

The statement of candidacy shall be in substantially the following form:

STATEMENT OF CANDIDACY

"State of West Virginia, County of Kanawha, to-wit:

"I,_____, being first duly sworn (write name as you wish it to appear on ballot) say that I reside at _____Street, in the _____ward of the City of St. Albans, County of Kanawha, State of West Virginia, that at the date of the forthcoming general election I am a qualified voter therein, (and if a candidate for ward Councilman, I reside in the same ward) that I am a candidate for nomination to the office of (Mayor, Councilman for the _____or Councilman at Large), to be voted for

at the primary election to be held on the first Saturday in April _____, and I hereby request that my name be printed upon the official primary ballot for nomination at such primary election for such office, as a member of the _____party.

"Subscribed and sworn to (or affirmed) before me by _____on this____day of_____, 20 _____.

Any statement of candidacy filed by mail must be postmarked no later than January 23, and received not later than January 25, in the office of the City Clerk.

Each voter shall cast his ballot in the primary election only for the candidates of the qualified party in which the voter is registered."

Codified Ordinances:

103.06 CONDUCT OF ELECTIONS; SELECTION OF POLL WORKERS; OATH OF OFFICE.

(a) Except as otherwise provided in the City Charter, City elections shall be conducted and the result determined and certified in accordance with the provisions of the general law of the State with respect to primary, general and special elections, so far as they are applicable, except that the duties devolving upon the County Commission and the Clerk thereof under the general laws for conducting elections shall be performed by Council and the City Clerk. Council shall appoint three commissioners and two clerks to serve as election officials in each precinct in the City at a regular or special meeting in Council Chambers on the first Monday of the month next preceding the date on which any election is to be held. In primary and general elections and in any special election in which political party candidates are to be nominated or elected one election commissioner and one clerk shall be selected from each of the two political parties which at the last preceding general election cast the highest and second highest number of votes in this City. The third commissioner shall be appointed by Council without regard to political party affiliation. At least three days before the date of the election the City Clerk shall procure from the Clerk of the County Commission the necessary registration records and other election supplies and shall deliver them together with the ballots to the election officials. The election officials shall as soon as possible after the closing of the polls on Election Day return to the City Clerk the ballots, registration records, ballot boxes and other election supplies. On the Friday next succeeding any primary election, Council shall canvass the returns of the primary election and declare the results and on the fifth day (Sundays excepted) after every election other than a primary election, Council shall canvass the returns of the election and declare the results. In the case of a contest, Council shall be the judge of the election and qualifications of all City officials.

(b) Each commissioner of election and poll clerk, appointed or selected as aforesaid, shall before entering upon the discharge of his duties, take and subscribe an oath, respectively, to the following effect:

(1) Commissioner's oath

"I, _____, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Commissioner of Election assigned by law; that I will not knowingly permit any person to vote who is not qualified, and will not knowingly refuse the vote of any qualified voter, or cause any delay to a person offering to vote further than is necessary to procure satisfactory information of the qualifications of such person as a voter; that I am a resident of the State of West Virginia, and the county and magisterial district in which am to act as Commissioner of Election; that I will not disclose nor communicate to any person how any voter has voted at such election, nor how any ballot has been folded, marked, printed or stamped; that I have nothing of value bet or wagered upon the result of said election; that I have not received any promise, agreement or understanding that I am to receive appointment as deputy from any candidate to be voted for at such election; that I do not have any agreement, understanding or arrangement that I shall receive any sum of money or any portion of the salary, fees or emoluments of any office for which any candidate is to be voted for at such election, should such candidate be elected to such election or any subsequent election; that I am not a candidate at this election; that I am a member of party, a qualified party of the City of St. Albans as defined by the Charter of the City of St. Albans, So help me God. "

_____
Signature of Candidate

_____
Notary Public

Subscribed and sworn to (or affirmed) before me by _____ on this _____ day of _____, 20___.

My commission expires _____.

(2) Clerk's Oath:

"I, _____, do solemnly swear that I will faithfully and honestly discharge my duties as clerk of the election now about to be held in precinct No. _____in the City of St. Albans, District III, County of Kanawha, State of West Virginia; that I will not disclose nor communicate to any person how any elector voted, or how any ballot was folded, marked, printed or stamped; that I do not have any promise, agreement or understanding that I am to be

appointed as deputy by any candidate to be voted for at such election; that I do not have any agreement, understanding or arrangement that I shall receive any sum of money or any portion of the salary, fees or emoluments from any office for which any candidate is to be voted for at such election, should such candidate be elected at such election or any subsequent election; that I am not a candidate at this election; that I am a member of the _____party, a qualified party of the City of St. Albans as defined by the Charter of the City of St. Albans, So help me God."

_____
Signature of Candidate

_____
Notary Public

Subscribed and sworn to (or affirmed) before me by _____ on this _____ day of _____, 20___.

My commission expires _____.

The oaths may be taken before any person authorized to administer oaths, but if no other person be present at any place of holding any election, they may be taken before and administered by one of the commissioners of such election so appointed, who in turn may take the same before another of such commissioners. Either of the commissioners may administer the oaths to the poll clerks. For the purposes of this article all commissioners of election are authorized to administer oaths. Such oaths shall appear completed and certified on one of the poll books of every election precinct.

103.08 WARDS AND VOTING PRECINCTS.

Council hereby declares the boundaries of the nine wards of the City as follows:

Ward 1 - To be comprised of Voting Precinct 317
Ward 2 - To be comprised of Voting Precinct 321
Ward 3 - To be comprised of Voting Precinct 309
Ward 4 - To be comprised of Voting Precinct 333
Ward 5 - To be comprised of Voting Precinct 329
Ward 6 - To be comprised of Voting Precinct 326
Ward 7 - To be comprised of Voting Precinct 340
Ward 8 - To be comprised of Voting Precinct 337
Ward 9 - To be comprised of Voting Precinct 347

It is the intent of this section to establish wards with the same boundaries as the above mentioned voting precincts heretofore established by the County Commission or Kanawha County, West Virginia, as hereinbefore set forth."

Effective upon adoption after public hearing and second reading.

This Ordinance shall be advertised in accordance with the applicable provisions of the Codified Ordinances of the City of St. Albans, West Virginia.

This Ordinance was introduced and read for the first time at a regular meeting of City Council held on the 20 day of Oct, 2008 and will come up for public hearing and second reading at the regular meeting to be held on the 3 day of Nov, 2008. The second reading will be preceded by a public hearing to be held at 7:00 p.m. on the 3 day of Nov, 2008, immediately prior to the regularly scheduled Council Meeting in Council Chambers located at 51 Sixth Avenue in said City and State.

Adopted this 3 day of Nov 2008.

MAYOR

Approved by:
Charles A. Riffee, II
City Attorney

CLERK

CHARTER

OF THE CITY OF

ST. ALBANS, WEST VIRGINIA

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EDITOR'S NOTE: The St. Albans Charter was approved by the voters on January 6, 1948. Dates appearing in parentheses following section headings indicate those sections were subsequently amended, added or repealed on the date given.

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Sec. 2. Municipal Powers Generally.
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Sec. 4. Officers and Employees Generally. (4-4-77; 6-6-77)
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Sec. 26. Duties of the Manager.

CHARTER

OF THE CITY OF

ST. ALBANS, WEST VIRGINIA

SECTION 1. CHARTER POWERS AND SOURCE OF AUTHORITY.

The inhabitants of the present City of St. Albans, as incorporated by Chapter 118 of the Acts of the West Virginia Legislature, 1917, regular session, as amended by Chapter 27 of the Acts of the West Virginia Legislature, 1921, and as further amended by Chapter 81 of the Acts of the West Virginia Legislature, 1931, and acting pursuant to the "Municipal Home Rule Amendment" to the Constitution of the State of West Virginia, Article 6, Section 39(a), together with the enabling act thereof, known as the "Municipal Home Rule Law, being Chapter 56 of the Acts of the West Virginia Legislature, 1937, as amended by Chapters 44 and 89 of the Acts of the West Virginia Legislature, 1941, do hereby declare this instrument to be the Charter of the said City of St. Albans, and do hereby annul and revoke the former charter, with amendments and annul and revoke all ordinances, resolutions and other acts of the common council of the City of St. Albans, in conflict herewith, subject to the provisions of section 14, article 2, Chapter 8A of the Code of West Virginia, as amended in 1937.

SECTION 2. MUNICIPAL POWERS GENERALLY.

The City of St. Albans shall be vested with all powers inherent to cities adopting the "Municipal Home Rule Law," as now enumerated in the Code of West Virginia, 1931, and the amendments thereto, as well as all powers which may be hereafter granted by the legislature of the State of West Virginia, together with all other powers herein set out; provided, however, that subsequent amendments to the Municipal Home Rule Law, which may be hereinafter enacted by the legislature of the State of West Virginia, shall not affect and be binding upon the City of St. Albans until and unless such amendments, or any part thereof, are accepted by the Council of the City of St. Albans, by ordinance duly adopted.

SECTION 3. CORPORATE BOUNDARIES.

The corporate boundaries of the City shall be the boundaries as established by an official map adopted by the Council of the City of St. Albans, West Virginia, by ordinance and placed on file in the office of the City Clerk.
(Ord. 92-31. Passed 12-21-92.)

SECTION 6. ELIGIBILITY TO OFFICE.

No person shall be eligible to any elective office unless he has resided in the City, and has been a registered voter therein, for a period of one year prior to his election. No person shall be eligible for the office of Councilman, representing a particular ward, unless he has resided in the said ward for a period of sixty days prior to his election. The eligibility of any person to any office, or to retain and hold the same, shall be determined under the general law of the State of West Virginia, except as herein otherwise provided.

SECTION 7. DECLARING VACANCY IN OFFICE.

The office of the Mayor, or any Councilman, who is absent from the regular meetings of the Council for three consecutive months, unless such absence is due to illness or injury certified to by a reputable physician, may be declared vacant by a majority vote of the Council at the next regular meeting thereafter. The office of the Mayor, or any Councilman at large, who moves his residence out of the corporate limits, or of any Councilman not elected at large, who moves his residence out of the limits of his ward, shall be declared vacant by the Council as soon as such removal is brought to its attention; provided, however, that should the boundaries of any ward be changed by action of the Council or by vote of the people, any Councilman whose residence may be affected thereby, shall complete the term for which he was elected.

SECTION 8. FILLING VACANCY IN OFFICE.

A vacancy in the office of Mayor or Councilman, resulting from any cause, shall be filled by the Council within three months thereafter; such Mayor and Councilman, so chosen by the Council, shall hold office for the unexpired portion of the original term.

SECTION 9. REMOVAL OF APPOINTED OFFICERS AND EMPLOYEES.

Any appointed officer or any employee of the City may be removed from office for official misconduct, incompetence, neglect of duty, or gross immorality. After receiving charges or grounds, filed in writing by any person, the Council may forthwith suspend such officer or employee for a period of thirty days. A copy of such charges or grounds shall be forthwith served upon the individual concerned in the manner provided by the statutes of West Virginia, for the service of notices. Such person shall have ten days from the date of such service in which to file a reply in writing with the Clerk. Such person may, in the reply, request a public or private hearing by the Council. The date for such hearing shall be set by the Clerk at any reasonable time, not less than twenty nor more than forty days after the date of service above referred to, at which hearing, such person may be represented by counsel. All persons testifying at such hearing shall do so under

SECTION 11. POWERS AND DUTIES OF OFFICERS GENERALLY; OFFICERS' BONDS.

The Council shall prescribe the powers and define the duties of all officers, except so far as the same are by this Charter defined, and may require and take from them respectively, bonds payable to the City in its corporate name, with such securities and in such penalties as may be deemed proper, conditioned for the faithful performance of their duties.

SECTION 12. COUNCIL MEETINGS; QUORUM, ETC.

The Council shall fix the place and time for holding its regular meetings, one of which shall be held each month; may provide for special and adjourned meetings; shall have power to compel the attendance of its members; and may prescribe rules and regulations not inconsistent with the provisions of this Charter, for the transaction of business and for its own guidance and government. A majority of the Council elected shall be necessary to constitute a quorum for the transaction of business. Upon call of any member, the yeas and nays on any question shall be taken and recorded in the Council Record. No member of the Council shall vote upon, or take part in the consideration of any proposition in which he is or may be interested otherwise than as a resident of the City. It is recommended that each meeting of the Council be opened by a prayer.

SECTION 13. OFFICIAL RECORDS GENERALLY.

The Council shall cause to be kept by the Clerk, in a well bound book to be called the "Council Record", an accurate record of all of its proceedings, ordinances, acts, orders and resolutions, and in another to be called the "Ordinance Book," accurate copies of all the ordinances adopted by the Council, except ordinances concerning public improvements. Both of the books shall be fully indexed and open to the inspection of anyone required to pay taxes to the City or who may be otherwise interested. All oaths and bonds of officers of the City and all papers of the Council shall be endorsed, filed and securely kept by the Clerk, except the bond of the Clerk, which shall be filed with the Mayor. All printed copies of such ordinances purporting to be published, under authority of the Council, and transcripts of such ordinances, acts, orders and resolutions, certified by the Clerk under the seal of the City, shall be deemed prima facie correct, when sought to be used as evidence in any court or before any justice.

SECTION 14. MINUTES OF COUNCIL MEETINGS.

At each meeting of the Council the minutes of the proceedings at the last meeting shall be read, and if erroneous, corrected, and signed by the then presiding officer.

SECTION 15. ORDINANCES REQUIRED IN CERTAIN CASES.

In the following enumerated cases the action of the Council shall be by ordinances:

(1) Levying taxes or providing for the collection of fees of any kind;
(2) Requiring a license to do business;
(3) Relating to offenses and penalties;
(4) Authorizing the issuance of bonds or other forms of indebtedness;
(5) Providing for a public improvement;

SECTION 17. WARDS GENERALLY.

The City shall be divided into wards, the future boundaries of which may be determined by the Council. Each ward shall contain at least four hundred and fifty, and not more than twelve hundred registered voters. In fixing ward boundaries, the Council shall take into consideration the boundaries of the voting precincts as determined by the County Court of Kanawha County. The Council may establish new wards, and define and change the boundaries of all wards; provided, however, that each ward must be composed of contiguous territory. Each new ward shall be entitled to choose one new member of the Council. Councilmen at large shall be added to the Council in the proportion of one for each four ward Councilmen or fraction thereof, and only one Councilman at large shall be elected from any one ward.

SECTION 18. WARDS AND VOTING PRECINCTS ESTABLISHED.

(EDITOR'S NOTE: The number of City wards and the composition thereof are now set forth in Section 103.08 of the Administrative Code of the Codified Ordinances.)

Upon the effective date of this Charter, the City shall be divided into seven wards, with a Councilman representing each ward. There shall also be two Councilmen at large, who shall not reside in the same ward with each other. The seven wards, and the corresponding voting precincts, shall be as follows:

First Ward: Precinct No. 171, City Hall.
Second Ward: Precinct No. 173, Armory.
Third Ward: Precinct No. 172, Central School.
Fourth Ward: Precinct No. 174, High School.
Fifth Ward: Precinct No. 175, Hansford School and Precinct No. 176, Belvil Park.
Sixth Ward: Precinct No. 177, Highlawn School.
Seventh Ward: Precinct No. 178, and Precinct No. 179, both Ordnance Park.

SECTION 19. ELECTIONS GENERALLY.

Elections shall be conducted under the statutes of the State of West Virginia. The first election held pursuant to this amendment to this Charter shall be a primary election, to be held on the 2nd Tuesday of April, 1981, followed by a general election to be held on the 1st Tuesday in June, 1981, for a Mayor and twelve (12) Councilmen, being one (1) Councilman from each of the nine (9) wards of the City and three (3) Councilmen at large, only one (1) Councilman at large shall be elected from any one (1) ward. Said officers shall take office on July 1, 1981, for a full term of four (4) years. Regular elections shall be held each four (4) years thereafter. The present Council shall be the judge of the first election to be held hereunder, and the Council thereafter shall be the judge of the election returns and qualifications of the Mayor, its own members and any other person elected to office in the City. The Council may determine the conduct of elections and the results thereof, so long as such acts are consistent with the general law of the State referring thereto. Qualifications of voters shall be determined under the general law of the State of West Virginia. In the event of a tie vote for any office the Council shall resolve such tie by lot. (Ord. 81-1. Passed 1-19-81.)

"Subscribed and sworn to (or affirmed) before me by _____
on this _____ day of _____, 19_____.

"My commission expires _____.

(Notary Public or any other officer authorized to take oaths under the laws of the State of WV State title of officer here)

_____

Any statement of candidacy filed by mail must be postmarked no later than February 5, and received not later than February 8, in the office of the City Clerk.

Each voter shall cast his ballot in the primary election only for the candidates of the qualified party in which the voter is registered.
(Ord. 93-11. Passed 4-19-93.)

SECTION 21. NEW PARTIES.

A new party may place candidates for any office upon the ballot at the general election by filing a petition therefor, signed by at least ten (10%) percent of the registered voters on the date of the last preceding regular municipal election, and containing the names of the candidates for such offices, with the Clerk at least twenty days prior to the date set for such general election, and paying the proper filing fees therefor. If any candidate of such new party for the office of Mayor receives more than ten percent of the votes cast for all candidates for his office, the new party shall be established as a qualified political party at the next municipal election. If the candidate for Mayor of any party fails to poll more than ten percent of the votes cast for all candidates for that office at any general election, such party shall be dropped from the ballot at the next municipal election, unless placed on the ballot by petition as a new party.

(5) The proposed ordinance contained in such petition shall be passed without alteration by the Council, or shall be submitted, without alteration, by the Council to the voters in the City, within sixty days from the date of its filing with the Clerk. If a regular election is to be held within ninety days from the date of the action of the Council, such ordinance shall be voted upon at such election; if such regular election is not to be held within ninety days from the date of the action of the Council, then the Council shall forthwith call a special election, to be held within sixty days thereafter.

(6) Notice of the vote on such ordinance, at either a regular or special election, shall be given for at least thirty days prior to such election. Such notice shall set out the ordinance verbatim, shall state the date and time of the election, the form of ballot to be used, and such other pertinent matter as the Council may determine or as may be required in the petition. Such notice shall be published, once each week for four successive weeks, in two newspapers of general circulation in the City, if such there be, and shall be posted at some prominent and public place in each voting precinct in the City, at least thirty days prior to the election.

(7) Not more than one special election may be called in any period of six months.

(8) Such ordinance, if adopted by a majority of the persons voting at the election therefor, shall go into effect on the tenth day following its adoption, unless otherwise therein provided. Such ordinance shall not be altered or repealed within six months from its effective date, by the Council, nor thereafter except by vote of two-thirds of all members of the Council.

The Council may submit the question of the amendment or repeal of such ordinance to the voters at any regular election, or at a special election called for that purpose, after notice thereof has been given as hereinabove provided.

SECTION 24. RECALL.

(1) Upon petition, signed and dated in their own handwriting by not less than twenty percent of all of the registered voters in the City, an elective officer of the City may be recalled.

(2) Such petition shall not be circulated by any officer of the City; the office of any officer so doing shall be forthwith vacated as the penalty therefor.

(3) Such petition shall contain the residence address of each signer, and shall be filed with the Clerk within sixty days from the date the first signature was affixed thereto.

(4) Within fifteen days next following such filing, a committee, composed of the Clerk, one member appointed by the Mayor, and two members chosen by the Council shall determine by careful examination, the sufficiency or insufficiency of such petition, and shall report its findings in a certificate signed by a majority of the members thereof, dated and attached thereto. If such petition be found insufficient, the particulars of such insufficiency shall be stated in such certificate. The petition may be amended within

other property, real and personal, belonging to the said City and all of the equipment used by the Fire Department, and shall provide for the proper heating, cleaning and lighting of City buildings. He shall perform such other duties as may be delegated to him by the Mayor, subject to the approval of the Council, or as may be required of him by the Council.

SECTION 27. DUTIES OF THE CLERK; CLERK'S BOND.

(1) The Clerk shall keep a journal of the proceedings of the Council, and have charge of and preserve the records, papers, contracts and other documents belonging to the City; he shall attend the sessions of the Police Court, keep an accurate record of its proceedings, and all judgments shall be entered by him, within twenty-four hours after the same are rendered. He shall, in cases of sickness or disability of the Mayor and Vice Mayor, or in case of their absence from the City, or during any vacancy in the office of the Mayor, and Vice Mayor perform the duties of the Mayor, except as herein otherwise provided, and shall be vested with all the powers necessary for the performance of such duties; he shall also perform such other duties pertaining to the fiscal affairs of the City, or otherwise, as may be required of him by this Charter or by the Council.

(2) The Clerk shall collect and receive all taxes, assessments, fines and costs, and other money due to the City from any source, and shall receipt for the same. He shall keep an accurate account of all moneys paid to him for the use of said City, showing under separate accounts the amounts received for the account of taxes, sewer purposes, street pavements, licenses and other bills due to the City, fines and costs and of other matters pertaining to his office, which books shall at all times be open to the inspection of the Council, or to any committee appointed by it for such purposes; he shall pay over promptly all money which he may receive, within five days after the receipt thereof, into the hands of the Treasurer of the said City, showing an itemized statement of the several funds included in said payment, and taking the Treasurer's receipt therefor. He shall keep his office in the City Building, unless otherwise ordered by the Council and shall keep his office open for the transaction of business during the usual business hours, and as may be directed by the Council; he shall on or before the first day of January and July of each year and oftener, if directed by the Council, present to the Council a full, complete and detailed statement of all money with which he is chargeable, or that has been received by him from all sources up to that time, together with a statement of all money paid to the Treasurer and receipted for; and he shall at such times return a list of all taxes, levies, assessments and other claims in his hands for collection which he shall not have been able to collect by reason of insolvency, removal, or other cause, to which list he shall append an affidavit that he has used due diligence to collect the several items therein mentioned, but has been unable to do so. He shall, upon the expiration of his term of office, or upon the order of the Council, turn over to his successor all money, books of account and other property of the said City in his possession.

SECTION 31. CHIEF OF POLICE AND POLICE OFFICERS.

(1) It shall be the duty of the Chief of Police to preserve order and quiet in the City, to see that all subordinate police officers faithfully perform their official duties, and to perform such other duties as may be required of them by the Council. He shall be present in the Police Court whenever the same shall be in session, and see that all its orders and requirements are properly executed; he shall, before entering upon the discharge of his duties, execute a bond conditioned for the faithful performance by him, of the duties of his office, and for the accounting for and paying over, as required by law, all money which may come into his hands by virtue of his office, with sureties satisfactory to the Council, in a penalty as the Council may prescribe.

(2) In case a violation of any ordinance of the said City is committed in the presence, or within view of the Chief of Police or other police officer, the offender may be forthwith apprehended and thereafter taken before the Police Judge, and a written complaint under oath, stating such violation there lodged and filed; thereupon such offender may be tried upon warrant issued on such complaint and dealt with according to law. The Chief of Police and other Police officers shall execute within the County of Kanawha, when directed, any proper process issued by the Police Judge in proceedings for the enforcement of ordinances; and shall collect by levy of execution or otherwise, and duly account for, all fines assessed and costs imposed in such proceedings. They shall also have all the rights and powers within the said City in regard to the arrest of persons, the collection of claims and execution and return of process, that are or may be lawfully exercised by a constable, and shall be entitled to the same compensation therefor. They and their sureties shall be liable to all fines, penalties and forfeitures, for which a constable is liable, for any dereliction of duty in office, to be recovered in the same manner and in the same courts, that such fines, penalties and forfeitures are recovered against constables. They shall forthwith pay over to the Clerk all fines or sums collected.

SECTION 32. FIRE DEPARTMENT.

(1) The Chief of the Fire Department, otherofficers and future members of the Fire Department shall be chosen by the members of the Fire Department as they have been chosen prior to the date of the adoption of this Charter, subject to the approval of the Council. It shall be their duty to answer all alarms and to provide fire protection to the City and its residents, and they shall be compensated in such amounts as may be determined by the Council.

(2) In the event that the duties of the Chief of the Fire Department increase, the Council may provide by ordinance for his appointment by the Mayor, subject to the approval of the Council, in a manner similar to other appointed officers of the City. In the further event that it becomes necessary to employ a fireman or firemen, who will devote more than fifty percent of their working hours to such duty, the said fireman or firemen may be appointed by the Chief of the Fire Department as an employee or employees of his department of the City government.

(3) The Chief of the Fire Department and all members thereof may be removed from office for cause, in the same manner as appointed officers or employees of the City, as hereinbefore provided in this Charter.

ballot shall be placed at the bottom of each primary and general election ballot, or on a separate ballot as the Council may designate. All candidates for the Board shall file with the Clerk as herein provided for officers of the City, within the prescribed time.

The Council shall, in the ordinance establishing the Board, provide in detail for the election of the members thereof within the limits herein prescribed. The Council shall, by a vote similar to that creating the Board, have the power to abolish the said Board; in such event the terms of its members shall be terminated, the property belonging to the Board shall become the property of the City, and the powers and duties thereof shall pass to such person or board as the Council may designate.

SECTION 37. SEWER BOARD.

The Council may, by ordinance, adopted by the affirmative vote of two-thirds of all of its members, establish a Board of Sewer Commissioners for the City, with general independent powers to acquire, establish, improve, operate, maintain and repair a municipal sewer system or system or systems, or to assess the users thereof with the cost thereof. The specific powers, duties and compensation of such Board shall be set forth in the ordinance establishing it, and such powers, duties and compensation may be amended and supplemented by subsequent ordinances, adopted by the affirmative vote of two-thirds of all of the members of the Council. The Board shall consist of five members, two of whom shall be the Manager and the Engineer ex officio. The other three members shall be appointed by the Mayor, subject to the approval of the Council, for terms of six years each; provided, that the first three members shall serve for terms of two, four and six years, respectively, thereafter, a member of the board shall be appointed each two years for a full six year term. The Council shall, by a vote similar to that creating the Board, have the power to abolish the Board; in such event the terms of its members shall be terminated, the property belonging to the said Board shall become the property of the City, and the powers and duties thereof shall pass to such person or board as the Council may designate.

SECTION 38. NEW ADDITIONS AND SUBDIVISIONS.

The City shall not be bound by any map or plat of any addition, subdivision, resubdivision or other lands within the City limits, or within one mile thereof, that shall be recorded in the office of the Clerk of the County Court of Kanawha County until such map or plat has been approved by the Council and such approval is attested on the face thereof, by the Mayor and the Clerk.

SECTION 39. PUBLIC WAYS.

The Council shall have the power to open for public use, and to close or abandon any street, alley or other way. No street, alley or other way shall be considered a public street, alley or way until accepted as such by ordinance adopted by the Council. No street, alley or other way, which has been accepted by the Council as a public way or has been used as a public way, shall be closed, vacated or abandoned, except by ordinance adopted by the Council. The approval by the Council, of any map or plat of lands constituting or delineating a subdivision or addition to the City, shall not be deemed to be an acceptance, as public, of the streets, alleys or other ways shown thereon.

(3) No cost of repaving or resewering any street or alley or reconstruction of a sidewalk thereon, in the City, shall be charged and assessed to abutting property owners, whether the original work be done before or after the adoption of this Charter, unless such repaving, resewering or reconstruction of a sidewalk be approved in writing before the work is begun, by the owners of more than eighty percent of the frontage abutting on both sides of such street or alley, between any two cross streets, or between a cross street and an alley.

(4) No suit in equity or action at law shall be instituted to enforce a lien for public improvements, levied pursuant to the terms hereof, more than thirteen years from the date of the adoption of the final ordinance, levying such assessment, unless such assessment shall be payable over a period of more than thirteen years, in which event, no such suit or action shall be brought more than one year after the due date of the last installment of such assessment. After such period has expired, no suit in equity or action at law or other proceeding shall be instituted in the name of the City or by any holder or owner of the certificates evidencing any such lien, to collect the same.

(5) Where a sewer assessment has been levied against any property, not on the certificate plan, and such assessment has not been paid in full, no building permit shall be issued for any improvement to such property until such assessment shall be paid in full, although such assessment may otherwise be barred by a statute of limitations or by a limitation on actions contained in this Charter.

(6) The lien of all assessments for the paving or repaving of streets, alleys and sidewalks, and the laying or relaying of sewers and all other improvements within the City, shall, from and after the date of the assessment thereof by the Council, constitute a continuing tax lien against the abutting property assessed with such improvements, superior to all other liens except taxes due to the State of West Virginia and its political subdivisions.

(7) Any assessment for public improvements, whether evidenced by certificates or not, shall be payable to the Clerk. The said Clerk shall collect the amount due, together with accrued interest to the date of payment, and shall issue, sign, acknowledge and deliver an apt and proper release of the lien of such assessment. Where certificates have been issued for such improvements, the said Clerk shall retain such sums as may be paid to him in satisfaction of such liens until demand is made upon by him by the owners and holders of the said certificates for such sums, whereupon the said Clerk shall pay such sums to such certificate owners and holders, upon delivery of the said certificates to the said Clerk for cancellation and delivery to the respective property owners. The said Clerk may release any lien for public improvements upon presentation of satisfactory evidence of payment.

SECTION 44. SEVERABILITY.

The provisions of this Charter shall be construed to be severable, and if any part section of this Charter is declared null, void, invalid or unconstitutional, by t of competent jurisdiction, such decision shall not affect any remaining his Charter; such remaining portion shall be in full force and effect as if section so declared null, void, invalid or unconstitutional had never been a is Charter.

OATH OF OFFICE

I, Richard C. Callaway, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Mayor, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Richard C. Callaway

Given under my hand this 30th day of June, 2009.

Attest:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MIMA MORROW
WV Secretary of State's Office
1900 Kanawha Blvd., East
Charleston, WV 25305
My Commission Expires Feb. 1, 2016

I, John Boles, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Council-at-Large, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

John Boles

Given under my hand this 16th day of July, 2009.

Attest:

I, Jerry C. Cogar, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Council-at-Large, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Jerry C. Cogar

Given under my hand this 16th day of July, 2009.

Attest:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
VERONICA ANN WESTFALL
CITY OF ST. ALBANS
1400 MacCORKLE AVE.
ST. ALBANS, WV 25177
My commission expires May 14, 2017

I, Helen Warren, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Council-at-Large, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Helen Warren

Helen Warren

Given under my hand this 20th day of July, 2009.

Attest:

Veronica A Westfall

I, Robert J. Keiffer, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 1 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Robert J. Keiffer

Given under my hand this 20th day of July, 2009.

Attest:

Veronica A Westfall

I, Xris Hess, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 2 Councilwoman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Xris Hess

Given under my hand this 20th day of July, 2009.

Attest:

Veronica A Westfall

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
VERONICA ANN WESTFALL
CITY OF ST. ALBANS
1499 MacCORKLE AVE.
ST. ALBANS, WV 25177
My commission expires May 14, 2017

I, Loretta Frances Griffith, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 6 Councilwoman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Loretta Frances Griffith
Loretta Frances Griffith

Given under my hand this 16th day of July, 2009.

Attest:

Veronica A Westfall

I, Desper Lemon, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 7 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Desper L Lemon
Desper Lemon

Given under my hand this 16th day of July, 2009.

Attest:

Veronica A Westfall

I, Kevin Pennington, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 8 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Kevin W Pennington
Kevin Pennington

Given under my hand this 16th day of July, 2009.

Attest:

Veronica A Westfall

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
VERONICA ANN WESTFALL
CITY OF ST. ALBANS
1499 MacCORKLE AVE.
ST. ALBANS, WV 25177
My commission expires May 14, 2017

№ 0097

I, Stephen R. Donelson, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 9 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Stephen R. Donelson

Given under my hand this 1st day of July, 2009.

Attest:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
VERONICA ANN WESTFALL
CITY OF ST. ALBANS
1499 MacCORKLE AVE.
ST. ALBANS, WV 25177
My commission expires May 14, 2017

OATH OF OFFICE

I, Barbara Cunningham, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of City Clerk/Treasurer, to the best of my ability, so help me "GOD".

Barbara Cunningham

Barbara Cunningham

Given under my hand this 16th day of July, 2009.

Attest:

Veronica A Westfall

I, Charles Riffee, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of City Attorney, to the best of my ability, so help me "GOD".

Charles Riffee

Given under my hand this 16th day of July, 2009.

Attest:

Veronica A Westfall

I, Thomas Stricklen, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Municipal Judge, to the best of my ability, so help me "GOD".

Thomas A Stricklen

Thomas Stricklen

Given under my hand this 16th day of July, 2009.

Attest:

Veronica A Westfall

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
VERONICA ANN WESTFALL
CITY OF ST. ALBANS
1499 MacCORKLE AVE.
ST. ALBANS, WV 25177
My commission expires May 14, 2017

№ 0369

OATH OF OFFICE

I, Dan Cain, Sr., do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 5 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Dan Cain, Sr.

Given under my hand this 16th day of February, 2010.

Richard C. Callaway
Mayor

Attest:

Barbara Cunningham
City Clerk/Treasurer

OATH OF OFFICE

I, Cheryl Thomas., do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 4 Councilwoman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Cheryl Thomas

Given under my hand this 16th day of August, 2010.

Richard C. Callaway
Mayor

Attest:

Veronica Westfall
City Recorder

I, Ron Colby, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 3 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Ron Colby

Given under my hand this 6th day of July, 2009.

Attest:

I, John D. Caudill, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 4 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

John D. Caudill

Given under my hand this 6th day of July, 2009.

Attest:

I, Ronald A. "Ronnie" Bell, do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and the Charter of the City of St. Albans; that I will faithfully and impartially discharge the duties of Ward 5 Councilman, and I will faithfully discharge my duties to the best of my ability, so help me "GOD".

Ronald A. "Ronnie" Bell

Given under my hand this 6 day of July, 2009.

Attest:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
VERONICA ANN WESTFALL
CITY OF ST. ALBANS
1499 MacCORKLE AVE.
ST. ALBANS, WV 25177
My commission expires May 14, 2017

ARTICLE 153
Municipal Utility Commission

153.01 Created; composition; chairman.
153.02 Compensation; members reimbursed for expenses.
153.03 Powers and duties.
153.04 Annual request for authority to expend money.
153.05 Approval of budget.
153.06 Transfer of funds.
153.07 Right of eminent domain to acquire land.
153.08 Signatures on checks.
153.09 Administrative and/or supervisory compensation.

CROSS REFERENCES

Municipal waterworks systems - see W. Va. Code Art. 8-19
Combined waterworks and sewerage systems - see W. Va. Code Art. 8-20
Sewage works and sanitary districts - see W. Va. Code Art. 16-13
Continued absence of member from meetings - see ADM. 147.01

153.01 CREATED; COMPOSITION; CHAIRMAN.

There is hereby created and appointed a Municipal Utility Commission of the City, consisting of the Mayor and four other members to be appointed by the Mayor and approved by Council, all of whom shall have voting authority. Any proposed appointment to the Municipal Utility Commission shall be disclosed to Council at least one meeting prior to the appointment being voted upon by Council. One member shall be appointed to serve a term of one year; one member shall be appointed to serve a term of two years; one member shall be appointed to serve a term of three years; and one member shall be appointed to serve a term of four years. However, all appointments made subsequent to the enactment of this section shall be for a term of four years. The Chairman of the Commission shall always be the Mayor or, in the Mayor's absence, the Vice Mayor shall fulfill such obligations. The Mayor shall act as Chairman and Chief Executive Officer of the Commission and shall be responsible for the daily management of finances, personnel and operations, subject to the direction and approval of the Municipal Utility Commission. (Ord. 96-10. Passed 5-20-96.)

153.02 COMPENSATION; MEMBERS REIMBURSED FOR EXPENSES.

Members of the Board of Directors of the Municipal Utility Commission other than the Mayor, shall be compensated at the rate of seventy-five dollars ($75.00) per attendance at regular monthly meetings, total compensation per member not to exceed one thousand eight hundred dollars ($1,800) per annum. The Mayor shall not receive an additional fee for meetings in addition to the salary as established by ordinance. Each member of the Commission shall be entitled to payment for reasonable expenses incurred in the performance of his or her duties. (Ord. 98-05. Passed 3-2-98.)

153.06 TRANSFER OF FUNDS.

Council may, upon written request from the Municipal Utility Commission and for good cause shown, authorize the transfer of amounts between items of the total appropriation or between funds or accounts.
(1967 Code Sec. 2-52)

153.07 RIGHT OF EMINENT DOMAIN TO ACQUIRE LAND.

The Mayor, acting for and on behalf of the City, and the Municipal Utility Commission so acting, are each hereby authorized to exercise the right of eminent domain for the City in the name of and on behalf of the City, in such proceedings authorized by law, to acquire estates in land, including the fee, and easements and right of way to be used for the construction, operation, maintenance, repair, replacement and removal of public sanitary sewer lines and public storm sewer lines and for such equipment and facilities proper and necessary for the operation of a public sanitary sewer system and storm sewer system, or either of them, within the City.
(Unno. Res. Passed 3-31-80.)

153.08 SIGNATURES ON CHECKS.

All checks for any account of the Municipal Utility Commission shall bear the personal signature of the Mayor or a facsimile affixed by the City official appointed by the Mayor.
(Ord. 95-12. Passed 8-7-95.)

153.09 ADMINISTRATIVE AND/OR SUPERVISORY COMPENSATION.

An increase in compensation for any employee exercising administrative and/or supervisory responsibilities shall be ineffective and void without the prior written approval of Council.
(Ord. 95-13. Passed 8-7-95.)

CITY OF ST. ALBANS

Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL
RESOLUTION AND DRAW RESOLUTION

The undersigned City Clerk of the City of St. Albans (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City.

* * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 6th day of December, 2010, in St. Albans, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Richard Callaway	- Mayor
	Barbara Cunningham	- Clerk
	Stephen Donelson	- Councilmember
	John Boles	- Councilmember
	Jerry Cougar	- Councilmember
	Robert J. Keiffer	- Councilmember
	Xris Hess	- Councilmember
	Ronald K. Colby, III	- Councilmember
	Cheryl Thomas	- Councilmember
	Helen Warren	- Councilmember
	Loretta Griffith	- Councilmember
	Desper Lemon	- Councilmember
	Kevin Pennington	- Councilmember
	Dan Cain	- Councilmember
	John Stump	- Steptoe & Johnson
ABSENT:	None.	

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 presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION REDESIGNATING BONDS, PROVIDING PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE TAXABLE - COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED) OF THE CITY OF ST. ALBANS; AUTHORIZING AND APPROVING BOND PURCHASE AGREEMENTS, A COMMITMENT FOR MUNICIPAL BOND INSURANCE, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, AND OTHER INSTRUMENTS RELATING TO THE BONDS APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion.

Thereupon, on motion duly made by Ronald Colby and was seconded by Desper Lemon, it was unanimously ordered that the above-entitled Supplemental Resolution be finally enacted and put into effect immediately.

* * * * * * * * *

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

Barbara L. Cunningham
City Clerk

12.02.10
858350.00006

The regular meeting of the City Council of the City of St. Albans, West Virginia, was held in Council Chambers, 51 Sixth Avenue, Tuesday, September 7, 2010. Mayor Callaway called the meeting to order at 7:30 p.m.

PRESENT:

Mayor Dick Callaway
Councilman Jerry Cogar
Councilman Robert Keiffer
Councilman Desper Lemon
Councilman Steve Donelson
Councilman Ron Colby
Councilwoman Loretta Griffith
Councilman Dan Cain
Councilman Kevin Pennington
Councilman John Boles
Councilwoman Helen Warren
Councilwoman Cheryl Thomas
Councilwoman Xris Hess

Charles Riffee, City Attorney
Joe Crawford, Police Chief
Charles Roberts, Building/Zoning Official
Veronica Westfall, City Recorder
Barbara Cunningham, City Clerk/Treasurer
Steve Parsons, Fire Chief
Scott Tweedy, Parks Director

ABSENT:

Orville Browning, Director of Public Works
Janie Hamilton, Hansford Senior Director

INVOCATION & PLEDGE OF ALLEGIANCE:

Brian Dean, Pastor of Grace Baptist Temple, gave the invocation, and Councilman Cain led the Pledge of Allegiance.

RECOGNIZE NEW FIRE FIGHTER – Luke Adkins:

Mayor Callaway swore in newly appointed firefighter Luke Adkins. A round of applause followed.

APPROVAL OF THE MINUTES:

Mayor Callaway asked if there were any additions or corrections to the minutes of the City Council meeting held on August 16, 2010. Being none, Councilman Colby moved for approval; Councilman Lemon seconded. Motion carried.

ORDINANCES REGARDING WATER & SEWER BONDS:

Attorney Riffee presented the ordinance for first reading. The caption is as follows, and the ordinance is attached:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BOND QUALIFIED); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHROIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS

Councilman Lemon moved for approval; Councilman Boles seconded. Motion carried.

Attorney Riffee presented the ordinance for first reading. The caption is as follows, and the ordinance is attached:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE SYSTEM PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 C; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Councilman Lemon moved for approval; Councilman Pennington seconded. Motion carried.

ORDINANCE TO AMEND THE BUILDING CODE:

Attorney Riffee presented the ordinance for second reading and adoption. The caption is as follows:

AN AMENDMENT TO SECTION 1711 OF THE OFFICIAL CODIFIED ORDINANCES OF THE CITTY OF ST. ALBANS

Councilwoman Warren moved for adoption; Councilman Colby seconded. Motion carried.

FINANCE COMMITTEE REPORT& RECOMMENDATIONS:

Payment of current invoices:

Councilman Cogar moved for approval of payment of current invoices in the amount of $28,435.13; Councilman Pennington seconded. Motion carried.

Payment for Transmission for Recycling Truck:

Councilman Boles moved for approval of payment to Jasper Engines in the amount of $2,440.00 for transmission for Public Works Recycling Truck to be paid from line item 566-217; Councilwoman Warren seconded. Motion carried.

Payment to Chapman Technical for Streetscape III:

Councilman Boles moved for approval of payment to Chapman Technical in the amount of $1,650.64 for engineering services regarding Streetscape III to be paid from line item 420-223; Councilwoman Warren seconded. Motion carried.

Payment for Ford Explorer for Fire Department:

Councilman Boles moved for approval of the purchase 2010 Ford Explorer from state bid in the amount of $21,632 for Fire Department to be paid as follows: $3,000 trade in, $12,000 Fire Dept. Equipment Account state money, & $6,632.00 from Capital Improvements line item 706-59; Councilwoman Griffith seconded. Motion carried.

CITY COUNCIL & DEPARTMENT HEAD REPORTS:

Councilman Colby—Thank you:

Councilman Colby expressed his appreciation to those that helped out at the high school concession stand.

Councilman Donelson—Day in the Park & Monmouth Street Flooding:

Councilman Donelson gave a report on the Day in the Park. Councilman Donelson reported that due to inclement weather, one of the bands was unable to perform and the movie was unable to be shown. Councilman Donelson stated that they are selling Tshirts as a fundraiser for the skate park, and anyone interested may contact him.

Councilman Donelson reported that he has researched the flooding situation on Monmouth Street. Councilman Donelson reported that he has spoken with representatives from the WV Stream & Conservation Division, as well as the Army Corps of Engineers and the DEP, who informed him that the residents would have to get a stream permit and do the work themselves or hire a contractor to clean the creek bed.

LETTERS & REPORTS:

Mayor announces that Councilman Boles is being inducted into the hall of fame:

Mayor Callaway announced that Councilman Boles would be inducted into the West Virginia Black School Sports & Academic Hall of Fame on September 18th. Mayor Callaway stated Councilman Boles is to be commended for this achievement, and a round of applause followed.

Private Liquor Club Application for Chiller's/Izzy;s, 60 MacCorkle Avenue:

Mayor Callaway reported that there was an owner change at Chiller's/Izzy's located at 60 MacCorkle Avenue. The zoning application has been received in the Clerk's Office, and this is just for Council's information. No action is required.

COMMITTEE REPORTS:

Hansford/Senior Services Board:

Vice-Mayor Warren reported on the following:

- September 11th—Dance & hot dog sale
- September 25th—Community Health Fair

Public Works:

Vice-Mayor Warren reported on the following:

- Sidewalks on B Street almost completed
- Lights on B Street being installed

Public Safety:

Councilman Boles stated that members of Council will receive a copy of the minutes in their packet.

MUC Board:

Greg Belcher with Chapman Technical Group gave a brief summary of the water project improvements that are being done.

Alban Arts & Conference Center:

Mayor Callaway reported on the success of the production Annie, which has sold out. Mayor Callaway further reported on upcoming events to be held at the Alban.

Ordinance:

Councilman Cogar reported they will meet at 6:45 p.m. on Sept 20th in the Council Chambers.

Property Board:

Councilman Donelson reported at the last meeting, they discussed ongoing demolition projects.

Parks:

Councilwoman Griffith reported on the following:

- Working on new entryway to the park
- Meet on Wednesday, September 15th at 7:00 p.m.
- September 17th—Fun Night for grades 4th & 5th
- Dog a Polooza was a success
- September 24th concert at Roadside Park after the ball game
- Beginning construction of the new toll booth building
- Meeting for the Haunted Trail will be tomorrow at 6:00 p.m. at the Hansford Center
- Major leak at the City Pool that will have to be repaired before being able to open next year

APPOINTMENTS:

Parks Committee:

Mayor Callaway requested action from Council to confirm the appointment of Debbie Keener, 2327 Grant Avenue, to Parks & Recreation Committee to fill the unexpired term of Sherry Sturgis, who moved outside the City limits. Term to expire 6/30/13. Councilman Pennington so moved; Councilman Boles seconded. Motion carried.

ZBA:

Mayor Callaway appointed Austin Duckworth, 506 Hudson Street, as an alternate to ZBA with a term to expire 9/7/13.

Parks Committee:

Mayor Callaway appointed Councilwoman Thomas to the Parks & Recreation Committee.

ANNOUNCEMENTS:

Mayor Callaway made the following announcements:

- Finance Cmte., Monday, September 13th at 4:00 p.m. in the MUC Conference Room.
- Senior Board, Tuesday, September 14th at 10:30 a.m. at the Hansford Center.
- ZBA, Tuesday, September 14th at 7:00 p.m. in the MUC Conference Room.
- Public Works Cmte., Wednesday, September 15th at 8:30 a.m. at the City Garage.
- Parks Cmte., Wednesday, September 15th at 7:00 p.m. at the Hansford Center.
- Ordinance Cmte., Monday, September 20th at 6:45 p.m. in the Council Chambers.
- City Council, Monday, September 20th at 7:30 p.m. in the Council Chambers.
- MUC Board, Tuesday, September 21st at 5:30 p.m. in the MUC Conference Room.

Councilwoman Warren reported that the St. Albans Library Board will be meeting on September 18th at 7:00 p.m.

PUBLIC FORUM:

Dave Dayfield:

Mr. Dayfield reported that there was still a speeding problem heading up to City Park. Mr. Dayfield requested more traffic enforcement.

Darrell Brightwell:

Mr. Brightwell reported there will be gospel sings at Grace Baptist Temple on September 17th & October 24th at 7:00 p.m.

Rick Mullens, 1036 Kanawha Terrace:

Mr. Mullens stated his concerns regarding parking issues on his street.

Roger McVickers:

Mr. McVickers stated his concerns regarding flooding issues at the baseball field at the high school.

ADJOURNMENT:

Being no further business, Councilman Colby moved for adjournment; Councilman Keiffer seconded. Mayor Callaway declared the meeting adjourned at 8:25 p.m.

MAYOR

CITY CLERK

The regular meeting of the City Council of the City of St. Albans, West Virginia, was held in Council Chambers, 51 Sixth Avenue, Monday, September 20, 2010. Mayor Callaway called the meeting to order at 7:30 p.m.

PRESENT:

Mayor Dick Callaway
Councilman Jerry Cogar
Councilman Robert Keiffer (7:35pm)
Councilman Desper Lemon
Councilman Steve Donelson
Councilman Ron Colby
Councilwoman Loretta Griffith
Councilman Dan Cain
Councilman Kevin Pennington
Councilwoman Helen Warren
Councilwoman Cheryl Thomas
Councilwoman Xris Hess

Charles Riffee, City Attorney
Joe Crawford, Police Chief
Charles Roberts, Building/Zoning Official
Veronica Westfall, City Recorder
Barbara Cunningham, City Clerk/Treasurer
Steve Parsons, Fire Chief
Scott Tweedy, Parks Director
Janie Hamilton, Hansford Senior Director

ABSENT:

Councilman John Boles (Schedule conflict)
Orville Browning, Director of Public Works

INVOCATION & PLEDGE OF ALLEGIANCE:

Councilman Lemon gave the invocation, and Mayor Callaway led the Pledge of Allegiance.

APPROVAL OF THE MINUTES:

Mayor Callaway asked if there were any additions or corrections to the minutes of the City Council meeting held on September 7, 2010. Being none, Councilman Colby moved for approval; Councilman Cain seconded. Motion carried.

ORDINANCES REGARDING WATER & SEWER BONDS:

Attorney Riffee presented the ordinance for second reading. The caption is as follows is attached:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BOND QUALIFIED); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHROIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS

Councilman Lemon moved for approval; Councilman Cogar seconded. Motion carried.

Attorney Riffee presented the ordinance for second reading. The caption is as follows:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE SYSTEM PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 C; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Councilman Lemon moved for approval; Councilwoman Warren seconded. Motion carried.

**Noted for the record: These ordinances will be discussed during a Public Hearing to be held on October 4th at 7:15 p.m. and will come up for third reading and adoption during the Council meeting.*

FINANCE COMMITTEE REPORT& RECOMMENDATIONS:

Payment of current invoices:

Councilman Pennington moved for approval of payment of current invoices in the amount of $24,112.16; Councilman Cogar seconded. Motion carried.

Payment for repairs to mechanic's truck:

Councilman Pennington moved for approval of payment to Patton Truck Repair in the amount of $1,532.82 for repairs to Public Works mechanic's truck to be paid from line item 566-217; Councilwoman Warren seconded. Motion carried.

Budget Revisions:

Councilman Pennington moved for approval of budget revisions; Councilwoman Warren seconded. Motion carried. The budget revisions are attached.

CITY COUNCIL & DEPARTMENT HEAD REPORTS:

Councilman Lemon states his concerns regarding Mountaineer Gas leaving hazardous street conditions:

Councilman Lemon passed out a picture of what he considered a hazardous condition left by Mountaineer Gas when they were repairing a line breakage at the corner of Claremont and Alameda Streets. Councilman Lemon stated the hole was deep and not covered and children were playing in it and jumping their bikes over it. Councilman Lemon stated that he wanted his concerns noted for the record. Additional Council members stated their concerns regarding similar situations in their Ward.

Councilman Donelson reports on a race being hosted in City Park:

Councilman Donelson reported that City Park will be hosting a cross-country race this weekend with several area high schools being in attendance. Councilman Donelson stated that volunteers are needed.

COMMITTEE REPORTS:

Hansford/Senior Services Board:

Councilwoman Warren reported that the Community Health Fair will be September 25th at the Hansford Center.

Public Works:

Councilwoman Warren reported they are still working on the B Street project.

MUC Board:

Mayor Callaway reported the MUC Board will meet tomorrow at 5:30 p.m.

Alban Arts & Conference Center:

Mayor Callaway reported on various performances being held at the Alban.

Ordinance:

Councilman Cogar reported that they met earlier to discuss the speed limits in the City. The committee is requesting that the Ward Council members bring to them a listing of streets in their wards that are not consistent with the speed limits.

Parks:

Councilwoman Griffith reported on the following:

- October 9th—Morgan's Kitchen Fall Fest
- Dance last Friday was a success & next dance will be October 1st
- Dates for Festival of Lights: Walk November 23rd, Open November 27th, Closed December 24th & 25th & Last nights will be December 26th & 27th, with hours being 6-9pm
- Volunteers needed to work Festival of Lights, and Councilwoman Thomas will be handling the scheduling list
- October 23rd will be a Halloween Masquerade for dogs at the House of Hounds

Mr. Tweedy reported on the following:

- October 9th--Motorcycle poker run at Roadside Park for diabetes association
- Haunted Trail meeting tomorrow at 6pm at City Park—Dates for Haunted Trail will be October 22nd, 23rd, 29th, & 30th from 7:30 p.m. – 10:00 p.m.
- Free concert Friday night after football game at Roadside Park

ANNOUNCEMENTS:

Mayor Callaway made the following announcements:

- MUC Board, Tuesday, September 21st at 5:30 p.m. in the MUC Conference Room.
- Finance Cmte., Monday, September 27th at 4:00 p.m. in the MUC Conference Room.
- Public Safety Cmte. (Fire), Monday, October 4th at 6:30 p.m. in the Council Chambers.
- Public Safety Cmte. (Police), Monday, October 4th at 6:45 p.m. in the Council Chambers.
- Public Hearing RE MUC Bond Ordinances, Monday, October 4th at 7:15 p.m. in the Council Chambers.
- City Council, Monday, October 4th at 7:30 p.m. in the Council Chambers.
- Drug Task Force, Tuesday, October 5th at 10:00 a.m. in the MUC Conference Room.

PUBLIC FORUM:

Dr. John Casto, representing the St. Albans Partnership:

Dr. Casto stated he was representing the St. Albans Partnership, who had concerns regarding the replacement location of the St. Albans/Nitro Bridge. Dr. Casto gave a history of the bridge and its current location. Dr. Casto stated that they wanted the bridge to be located at Walnut Street for the interstate access. Dr. Casto stated the Partnership was requesting for the Council to form a committee to meet with the Department of Highways regarding the bridges location. Following a lengthy discussion, Councilman Cogar moved to form the committee; Councilwoman Warren seconded. Motion carried.

ADJOURNMENT:

Being no further business, Councilman Colby moved for adjournment; Councilman Keiffer seconded. Mayor Callaway declared the meeting adjourned at 8:30 p.m.

MAYOR

CITY CLERK

A public hearing of the City Council of the City of St. Albans, West Virginia, was held in Council Chambers, 51 Sixth Avenue, Monday, October 4, 2010. Mayor Callaway stated the public hearing was to hear public comments regarding the MUC Bond Ordinances, and called the public hearing to order at 7:18 p.m.

PRESENT:
Mayor Dick Callaway
Councilman Ron Colby
Councilman Desper Lemon
Councilwoman Cheryl Thomas
Councilman Kevin Pennington
Councilman Jerry Cogar
Councilwoman Helen Warren
Councilwoman Loretta Griffith
Councilman John Boles

Charles Riffee, City Attorney
Barbara Cunningham, City Clerk/Treasurer

ABSENT:
Councilman Robert Keiffer
Councilwoman Xris Hess
Charles Roberts, Building/Zoning Official
Orville Browning, Director of Public Works
Scott Tweedy, Parks Program Coordinator
Steve Parsons, Fire Chief
Veronica Westfall, City Recorder (Illness)
Joe Crawford, Chief of Police
Janie Hamilton, Senior Services Director

PUBLIC HEARING TO DISCUSS THE MUC BOND ORDINANCES:

Mayor Callaway opened the floor for public comment on the MUC Bond ordinances to be presented to Council for final reading and adoption during the regularly scheduled meeting immediately following tonight's public hearing. Being no one wishing to address Council, Councilman Pennington moved to adjourn; Councilwoman Griffith seconded. Mayor Callaway declared the public hearing adjourned at 7:20 p.m.

MAYOR

CITY CLERK

The regular meeting of the City Council of the City of St. Albans, West Virginia, was held in Council Chambers, 51 Sixth Avenue, Monday, October 4, 2010. Mayor Callaway called the meeting to order at 7:30 p.m.

PRESENT:

Mayor Dick Callaway
Councilman Jerry Cogar
Councilman Robert Keiffer
Councilman Desper Lemon
Councilman Steve Donelson
Councilman Ron Colby
Councilwoman Loretta Griffith
Councilman Dan Cain
Councilman Kevin Pennington
Councilwoman Helen Warren
Councilwoman Cheryl Thomas
Councilman John Boles

Charles Riffee, City Attorney
Joe Crawford, Police Chief
Barbara Cunningham, City Clerk/Treasurer
Janie Hamilton, Hansford Senior Director
Scott Tweedy, Parks Director
Steve Parsons, Fire Chief

ABSENT:

Councilwoman Xris Hess
Veronica Westfall, City Recorder (Illness)
Orville Browning, Director of Public Works
Charles Roberts, Building/Zoning Official

INVOCATION & PLEDGE OF ALLEGIANCE:

Chief Parsons gave the invocation, and Councilman Pennington led the Pledge of Allegiance.

INTRODUCTION OF KENT MARSHALL, STUDENT AT SAHS:

Mayor Callaway introduced Kent Marshall, a student at the St. Albans High School. Mr. Marshall stated that he was working on a project to help better connect the non-profit organizations and businesses in St. Albans. He his calling this project "People's Right to Organize". This will help people who want to volunteer better utilize their resources. Discussion followed.

APPROVAL OF THE MINUTES:

Mayor Callaway asked if there were any additions or corrections to the minutes of the City Council meeting held on September 20, 2010. Being none, Councilman Lemon moved for approval; Councilman Boles seconded. Motion carried.

ORDINANCES REGARDING WATER & SEWER BONDS:

Attorney Riffee presented the ordinance for third reading and adoption. The caption is as follows:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BOND QUALIFIED); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHROIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS

Councilman Colby moved for adoption; Councilman Boles seconded. Motion carried.

Attorney Riffee presented the ordinance for third reading and adoption. The caption is as follows:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE SYSTEM PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 C; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Councilman Lemon moved for adoption; Councilman Cain seconded. Motion carried.

SALVATION ARMY RED KETTLE CAMPAIGN:

Mayor Callaway stated the Salvation Army was requesting permission to conduct their annual Red Kettle Christmas Campaign within the City. Councilman Pennington moved permission be granted; Councilwoman Thomas seconded. Motion carried.

RESOLUTION WITH RIC FOR WV DEPARTMENT OF ENERGY GRANT FOR PARKING LOT LIGHTING:

Attorney Riffee presented the following resolution:

RESOLUTION AUTHORIZING MAYOR TO EXECUTE, ACKNOWLEDGE AND DELIVER GRANT PROGRAM AGREEMENT BETWEEN THE REGIONAL INTERGOVERNMENTAL COUNCIL AND THE CITY OF ST. ALBANS

Resolution No. _____

BE IT ORDAINED THAT THE ST. ALBANS CITY COUNCIL hereby accepts the conditions and authorizes Richard Callaway, Mayor of the City of St. Albans to act on its behalf to enter into an agreement with Regional Intergovernmental Council to receive and administer grant funds in the amount of $100,000.00 for replacement of metal halide lights existing in various city parking areas with energy efficient LED lights.

This Resolution was adopted and approved at a regular meeting of the City Council of the City of St. Albans this 4th day of October, 2010.

_____
RICHARD CALLAWAY, MAYOR

_____
BARBARA CUNNINGHAM, CLERK

Councilman Pennington moved for approval; Councilwoman Warren seconded. Motion carried.

FINANCE COMMITTEE REPORT& RECOMMENDATIONS:

Payment of current invoices:

Councilman Boles moved for approval of payment of current invoices in the amount of $20,949.68; Councilman Lemon seconded. Motion carried.

Payment to Chapman Technical for engineering services regarding Shadyside storm sewer:

Councilman Boles moved for approval of payment to Chapman Technical in the amount of $2,869.99 for engineering services regarding storm water/Shadyside storm sewer to be paid from line item 566-459-40; Councilman Pennington seconded. Motion carried.

Payments for Streetscape III:

Councilman Boles moved for approval of payment to WV Electric in the amount of $9,194.72 for Streetscape III to be paid from line item 409-230; Councilwoman Griffith seconded. Motion carried.

Councilman Boles moved for approval of payment to WV Electric in the amount of $2,294.74 for Streetscape III to be paid from line item 409-230; Councilwoman Warren seconded. Motion carried.

Councilman Boles moved for approval of payment to Sunbelt Rentals in the amount of $1,673.30 for Streetscape III to be paid from line item 409-230; Councilwoman Warren seconded. Motion carried.

Purchase of Toughbook MDT's for Police Department:

Councilman Boles moved for approval of purchase of two (2) Panasonic Toughbook MDT's @ $3,388.00 each from MobileTek Consulting, LLC for Police Department (to be reimbursed with grant funds); Councilman Lemon seconded. Motion carried.

CITY COUNCIL & DEPARTMENT HEAD REPORTS:

Councilman Boles reported on the "Choice Bus" program being held at Hayes & McKinley:

Councilman Boles reported that the "Choice Bus" would be at Hayes & McKinley Middle Schools. The "Choice Bus" program helps prevent drop outs, and is targeted towards grades 6th – 10th. The bus will be at Hayes Middle School on Tuesday at 9:00 a.m. if any member of Council wished to see how the program worked.

Councilman Lemon reports on Neighborhood Watch:

Councilman Lemon reported that his Ward would be holding a meeting this Thursday at 7:00 p.m. at St. Peters regarding the Neighborhood Watch program. Councilman Lemon stated that Tim Akers, a landlord in Ordnance Park, will be leading the program.

Arts in the Community:

Mayor Callaway stated that another program being started is Arts in the Community. This afterschool program is being hosted by St. Peters United Methodist Church. This will be another positive program giving something for the youth in the community to do afterschool.

REACH workcamps:

Mayor Callaway reported that the REACH Workcamps is a mission project that will work with local agencies to conduct basic repairs to homeowners at no cost. Applications may be obtained at City Hall, and the Building Official's Office will be administering the operation of the program, while housing of the "campers" will be provided by the SAHS. This program is to be implemented next summer.

COMMITTEE REPORTS:

Hansford/Senior Services Board:

Councilwoman Warren reported on the following:

- Total meals served in the month of August were 2,592
- Health fair was well attended
- Flu Shots will be October 8th
- Music & hot dog sale October 9th

Public Works:

Councilwoman Warren reported that they are working on blacktopping the B Street project. The employees are to be commended for a job well done.

Housing Authority:

Councilwoman Griffith reported they will be meeting tomorrow night.

Public Safety:

Councilman Boles reported they met tonight, and minutes will be provided at a later date.

MUC:

Mayor Callaway gave a brief update on the water upgrade project.

Alban:

Mayor Callaway reported on the Arts Academy that is being offered at the Alban.

Ordinance:

Councilman Cogar reported they will meet on October 18th at 6:45 p.m.

Parks:

Mr. Tweedy reported that at Roadside Park on October 9th there will be a fundraiser for the diabetes association. This weekend the fall festival will be at Morgan's Kitchen. Also, still looking for assistance for the Haunted Trail, which will be held October 22nd & 23rd & 29th & 30th from 7:30 – 10:00 p.m. Mr. Tweedy further reported that a Halloween Party hosted by the Parks Department & the SAHS Anchor Club will be October 28th for the children from 6:00 – 8:00 p.m.

Councilman Pennington reported that the Parks & Recreation Department now has a link on Facebook to try to get the word out on events being held for the youth in the community.

Councilman Donelson reported that the cross country race in the park was well attended, with 17 schools and 152 runners. Councilman Donelson thanked all who helped with this event. Councilman Donelson reported there will be a 5 mile trail run on October 16th in the Park starting at 8:00 a.m.

Councilwoman Griffith reported on the following:

- Trick or Treat, October 28th from 6:00 – 8:00 p.m.
- FOL donations due by November 9th
- Councilwoman Thomas has the schedule for FOL workers

ANNOUNCEMENTS:

Mayor Callaway made the following announcements:

- Drug Task Force, Tuesday, October 5th at 10:00 a.m. in the MUC Conference Room.
- Columbus Day—HOLIDAY—Monday, October 11th—City Offices will be closed.
- Senior Board, Tuesday, October 12th at 10:30 a.m. at the Hansford Center.
- Finance Cmte., Tuesday, October 12th at 4:00 p.m. in the MUC Conference Room.
- Public Works Cmte., Wednesday, October 13th at 8:30 a.m. at the City Garage.
- Parks Cmte., Wednesday, October 13th at 7:00 p.m. at the Hansford Center.
- Ordinance Cmte., Monday, October 18th at 6:45 p.m. in the Council Chambers.
- City Council, Monday, October 18th at 7:30 p.m. in the Council Chambers.

PUBLIC FORUM:

Emma Ellis, 412 C Street:

Ms. Ellis wanted to thank whoever had the house cleaned up that was on Fourth Avenue.

ADJOURNMENT:

Being no further business, Councilman Colby moved for adjournment; Councilman Keiffer seconded. Mayor Callaway declared the meeting adjourned at 8:17 p.m.

MAYOR

CITY CLERK

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INVOICE DATE	09/30/10
ACCOUNT NBR	049350000
SALES REP ID	0099
INVOICE NBR	685834001

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ISSUE DATE	AD TYPE	PUB	DESCRIPTION / REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE / TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
09/22	LEGF	GZ	NOTICE OF PUBLIC HEA	0439235	1X1100			
			685834003		11.00	8.82	97.02	97.02
09/29	LEGR	GZ	NOTICE OF PUBLIC HEA		1X1100			
			685834004		11.00	8.82	97.02	
			LEGAL DISCOUNT 25%				24.26-	72.76
			TOTAL INVOICE AMOUNT					169.78

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Mindy Wilkinson of

THE CHARLESTON GAZETTE,
do solemnly swear that the legal notice of:
NOTICE OF PUBLIC HEARING
was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:
09/22/10-09/29/10

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LYNN R. FIELDER
253 FRAZIER WAY
SCOTT DEPOT, WV 25560
My commission expires December 11, 2016

Subscribed and sworn to before me this 1 day of Oct. 2010.

Lynn R Fielder
Notary Public of Kanawha County, West Virginia

HEARING ON THE CITY OF ST. ALBANS BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the City of St. Albans (the "City") to be held on Monday, October 4, 2010, at 7:30 p.m. at the City Hall, St. Albans, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

CITY OF ST. ALBANS

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the issuer, (ii) to fund a reserve account for the Series 2010 A Bonds, (iii) to fund a reserve account for the Series 2010 B Bonds, and (iv) to pay certain costs of issuance of the Series 2010 A Bonds and related costs. The Bonds are payable from the revenues derived from the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the City of St. Albans on September 20, 2010. A certified copy of the above entitled Ordinance is on file with the City for review by interested parties during regular office hours.

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

/s/ Barbara Cunningham

Ordinance No: 2010-09

Introduced in Council: 5/17/10

Passed by Council: 6/7/10

AN ORDINANCE OF THE CITY OF ST. ALBANS, KANAWHA COUNTY, WEST VIRGINIA, AMENDING AND REENACTING THE ESTABLISHMENT AND FIXING OF RATES, CHARGES AND DELAYED PENALTY CHARGES FOR WATER SERVICE FOR CUSTOMERS OF THE MUNICIPAL UTILITY COMMISSION OF THE CITY OF ST. ALBANS, KANAWHA COUNTY, WEST VIRGINIA

WHEREAS, The Council of the City of St. Albans deems the present rates and charges for the furnishing of potable water service throughout the entire territory served by the City of St. Albans to be unable to provide sufficient revenue to the City of St. Albans to maintain and operate the water system and pay sinking fund requirements on any outstanding revenue bonds.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of the City of St. Albans, West Virginia:

SECTION 1.

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

RATES (Customers with metered water supply)

First	2,000	gallons used per month	$9.60 per 1,000 gallons
Next	3,000	gallons used per month	$6.00 per 1,000 gallons
Next	5,000	gallons used per month	$6.00 per 1,000 gallons
Next	20,000	gallons used per month	$6.00 per 1,000 gallons
Next	70,000	gallons used per month	$6.00 per 1,000 gallons
All Over	100,000	gallons used per month	$5.40 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $19.20 per month which is equivalent to 2,000 gallons of water used or:

		Equivalent Gallons
5/8 inch meter	$ 19.20 per month	2,000
3/4 inch meter	$ 28.80 per month	3,600
1 inch meter	$ 48.00 per month	6,800
1¼ inch meter	$ 70.10 per month	10,800
1½ inch meter	$ 96.00 per month	14,800

2	inch meter	$ 153.60 per month	24,400
3	inch meter	$ 307.20 per month	46,800
4	inch meter	$ 480.00 per month	78,800
6	inch meter	$ 960.00 per month	165,333
8	inch meter	$1,536.00 per month	272,000

UNMETERED/UNMEASURED RATE $34.20 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St. Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COSTS

An amount not to exceed $5.40 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

FIRE PROTECTION RATES

APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

AVAILABILITY OF SERVICE

Available for private fire protection service in entire territory served by the Municipal Utility Commission of the City of St. Albans.

RATES

An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge:

2 inch	$ 72.00
3 inch	$ 144.00
4 inch	$ 288.00
6 inch	$ 720.00
8 inch	$1,200.00
10 inch	$2,400.00
12 inch	$3,000.00

For All Water Service Rendered on or after June 1, 2011, the following rates and charges shall be applicable:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

RATES (Customers with metered water supply)

First	2,000 gallons used per month	$10.00 per 1,000 gallons
Next	3,000 gallons used per month	$ 6.25 per 1,000 gallons
Next	5,000 gallons used per month	$ 6.25 per 1,000 gallons
Next	20,000 gallons used per month	$ 6.25 per 1,000 gallons
Next	70,000 gallons used per month	$ 6.25 per 1,000 gallons
All Over	100,000 gallons used per month	$ 5.65 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.00 per month which is equivalent to 2,000 gallons or:

		Equivalent Gallons
5/8 inch meter	$ 20.00 per month	2,000
3/4 inch meter	$ 30.00 per month	3,600
1 inch meter	$ 50.00 per month	6,800
1¼ inch meter	$ 73.00 per month	10,800
1½ inch meter	$ 100.00 per month	14,800
2 inch meter	$ 160.00 per month	24,400
3 inch meter	$ 300.00 per month	46,800
4 inch meter	$ 500.00 per month	78,800
6 inch meter	$1,000.00 per month	165,044
8 inch meter	$1,600.00 per month	271,239

UNMETERED/UNMEASURED RATE $35.63 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St. Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COSTS

An amount not to exceed $5.65 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

FIRE PROTECTION RATES

APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

AVAILABILITY OF SERVICE

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2 inch	$ 72.00
3 inch	$ 144.00
4 inch	$ 288.00
6 inch	$ 720.00
8 inch	$1,200.00
10 inch	$2,400.00
12 inch	$3,000.00

For All Water Service Rendered on or after May 1, 2012, the following rates and charges shall be applicable:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

RATES (Customers with metered water supply)

First	2,000	gallons used per month	$10.30 per 1,000 gallons
Next	3,000	gallons used per month	$ 6.45 per 1,000 gallons
Next	5,000	gallons used per month	$ 6.45 per 1,000 gallons
Next	20,000	gallons used per month	$ 6.45 per 1,000 gallons
Next	70,000	gallons used per month	$ 6.45 per 1,000 gallons
All Over	100,000	gallons used per month	$ 5.85 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.60 per month which is equivalent to 2,000 gallons or:

		Equivalent Gallons
5/8 inch meter	$ 20.60 per month	2,000
3/4 inch meter	$ 30.90 per month	3,597
1 inch meter	$ 51.50 per month	6,791
1¼ inch meter	$ 75.20 per month	10,465
1½ inch meter	$ 103.00 per month	14,775
2 inch meter	$ 164.80 per month	24,357
3 inch meter	$ 309.00 per month	46,713
4 inch meter	$ 515.00 per month	78,651
6 inch meter	$1,030.00 per month	164,496
8 inch meter	$1,648.00 per month	270,137

UNMETERED/UNMEASURED RATE $36.73 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St. Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

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DELAYED PAYMENT PENALTY

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RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COSTS

An amount not to exceed $5.85 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

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A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

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APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

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3 inch	$ 144.00
4 inch	$ 288.00
6 inch	$ 720.00
8 inch	$1,200.00
10 inch	$2,400.00
12 inch	$3,000.00

SECTION 2. The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective as to all bills rendered on and after forty five (45) days after passage, or as soon thereafter as legally permissible.

SECTION 3. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed.

SECTION 4. The Mayor of the City of St. Albans and the City Clerk are hereby authorized and directed to have prepared and filed with the Public Service Commission of West Virginia, new tariffs or tariff sheets reflecting the water rates and charges as herein ordained and to perform all other acts required by the statutes and laws of this State and valid applicable rules and regulations promulgated by the Public Service Commission of West Virginia, to fully effectuate the provisions of this ordinance.

SECTION 5. The City Clerk is hereby authorized and directed to publish, and post as required by law, a notice of the proposed adoption of this ordinance as a Class II-O legal advertisement in compliance with the applicable requirements in a newspaper of general circulation in Kanawha County, West Virginia, with such notice stating the subject matter and title of the ordinance, the date, time and place of the council meeting which will consider the adoption of the ordinance, and such other information as may be required by law, and that any person interested may appear before the council on such date, at which time and place all parties and interests may be heard with respect to the adoption of this ordinance, and said notice shall be on file in the Office of the City Clerk, shall be posted at the Kanawha County Courthouse, and at the Municipal Utility Commission of the City of St. Albans' office building for review by interested persons during the regular office hours of such offices, and with such other information as the City Clerk may determine to be necessary.

This Ordinance will be effective upon second reading and adoption.

A public hearing regarding the rate increase provided by this Ordinance will be held on the 7 day of June, 2010, beginning at 7 o'clock p.m., in the City Council Chambers in the City of St. Albans, Kanawha County, West Virginia.

This Ordinance will be introduced and read for the first time at a meeting of City Council held on the 17 day of May, 2010, and will be read a second time and considered for adoption, after a public hearing, at a meeting of the City Council to be held on the 7 day of June, 2010.

Passed on first reading 5-17-10

Public hearing held on 6-7-10

Second and final reading 6-7-10

MAYOR

CITY CLERK

Approved as to form:

Charles Riffee
CITY ATTORNEY

Prepared by:

H. WYATT HANNA, III
P.O. Box 8070
South Charleston, WV 25303
(304) 744-3150
State Bar No. 1579

water Pre

Charleston Newspapers

P.O. BOX 2993
Charleston, WV 25330
Billing 348-4818
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

INVOICE DATE	06/02/10
ACCOUNT NBR	046580004
SALES REP ID	0075
INVOICE NBR	662349001

M

BILL TO:

ST. ALBANS MUNICIPAL UTILTIY
JIM WESOLOWSKI
PO BOX 1270
ST ALBANS WV 25177 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____

INVOICE DATE	06/02/10
ACCOUNT NBR	046580004
SALES REP ID	0075
INVOICE NBR	662349001

Legal pricing is based upon 63 words per column inch.
Each sucessive insertion is discounted by 25% of the first insertion date.
The Daily Mail rate is $.13 per word, the Charleston Gazette rate is $.14 per word, and the Metro Putnam rate is $.13 per word.

END DATE	AD TYPE	UD	DESCRIPTION REFERENCE NBR / SURCHARGE ORDER	P NUMBER	AD SIZE NO. DAILY RUN	RATE	GROSS AMOUNT	NET AMOUNT
			662349004		49.50	8.19	405.41	
			LEGAL DISCOUNT 25%				101.35-	304.06
			TOTAL INVOICE AMOUNT					1473.50

State of West Virginia,

I, Lamara Legg of
THE CHARLESTON GAZETTE,
THE DAILY MAIL,
do solemnly swear that the legal notice of:

Water rate ordiance

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:
05/25/10-06/01/10

Subscribed and sworn to before me this 3 day of June

Lynn R Fielder
Notary Public of Kanawha County, West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LYNN R. FIELDER
253 FRAZIER WAY
SCOTT DEPOT, WV 25560
My commission expires December 11, 2018

Charleston Newspapers

P.O. BOX 2993
Charleston, WV 25330
Billing 348-4818
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

INVOICE DATE	06/02/10
ACCOUNT NBR	046580004
SALES REP ID	0075
INVOICE NBR	662349001

M

BILL TO:

ST. ALBANS MUNICIPAL UTILTIY
JIM WESOLOWSKI
PO BOX 1270
ST ALBANS WV 25177 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____

INVOICE DATE	06/02/10
ACCOUNT NBR	046580004
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INVOICE NBR	662349001

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Each sucessive insertion is discounted by 25% of the first insertion date.
The Daily Mail rate is $.13 per word, the Charleston Gazette rate is $.14 per word, and the Metro Putnam rate is $.13 per word.

END DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER	AD NUMBER	AD SIZE TOTAL	RATE	GROSS AMOUNT	NET AMOUNT
05/25	LEGF	GZ	Water rate ordiance 662349001	0425629	3X1650 49.50	8.82	436.59	436.59
05/25	LEGF	DM	Water rate ordiance 662349002		3X1650 49.50	8.19	405.41	405.41
06/01	LEGR	GZ	Water rate ordiance 662349003		3X1650 49.50	8.82	436.59	
			LEGAL DISCOUNT 25%				109.15-	327.44
06/01	LEGR	DM	Water rate ordiance		3X1650			

State of West Virginia,

I, _____ of

do solemnly swear that the legal notice of:

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:

Subscribed and sworn to before me this _____ day of _____.

_____
Notary Public of Kanawha County, West Virginia

Pre

AND CHARGES BY THE CITY OF ST. ALBANS, KANAWHA COUNTY, WEST VIRGINIA

NOTICE is hereby given that the City Council of the City of St. Albans, Kanawha County, West Virginia, will consider upon second reading an increase for its potable water rates and charges on Monday, June 7, 2010, beginning at 7:00 o'clock p.m., at the City Council Chambers located at 51 6th Avenue, in the City of St. Albans, West Virginia. The Council will conduct a public hearing and then consider the proposed Ordinance during the regular Council meeting which will follow the public hearing.

The proposed increased water rates and charges are to become effective not less than 45 days after the second reading and adoption of the Ordinance, unless otherwise ordered by the Public Service Commission of West Virginia.

The proposed new water rates and charges are as follows:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

RATES (Customers with metered water supply)

First	2,000 gallons used per month $9.60 per 1,000 gallons
Next	3,000 gallons used per month $6.00 per 1,000 gallons
Next	5,000 gallons used per month $6.00 per 1,000 gallons
Next	20,000 gallons used per month $6.00 per 1,000 gallons
Next	70,000 gallons used per month $6.00 per 1,000 gallons
All Over	100,000 gallons used per month $5.40 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $19.20 per month which is equivalent to 2,000 gallons of water used or:

			Equivalent Gallons
5/8	inch meter $	19.20 per month	2,000
3/4	inch meter $	28.80 per month	3,600
1	inch meter $	48.00 per month	6,800
11/4	inch meter $	70.10 per month	10,800
11/2	inch meter $	96.00 per month	14,800
2	inch meter $	153.60 per month	24,400
3	inch meter $	307.20 per month	46,800
4	inch meter $	480.00 per month	78,800
6	inch meter $	960.00 per month	165,333
8	inch meter $	1,536.00 per month	272,000

UNMETERED/UNMEASURED RATE $34.20 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St. Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This preconstruction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COSTS

An amount not to exceed $5.65 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

FIRE PROTECTION RATES

APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

AVAILABILITY OF SERVICE

Available for private fire protection service in entire territory served by the Municipal Utility Commission of the City of St. Albans.

RATES

An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge:

2	inch	$	72.00
3	inch	$	144.00
4	inch	$	288.00
6	inch	$	720.00
8	inch	$	1,200.00
10	inch	$	2,400.00
12	inch	$	3,000.00

For All Water Service Rendered on or after May 1, 2012, the following rates and charges shall be applicable:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

RATES (Customers with metered water supply)

First	2,000	gallons used per month $	10.30	per 1,000 gallons
Next	3,000	gallons used per month $	6.45	per 1,000 gallons
Next	5,000	gallons used per month $	6.45	per 1,000 gallons
Next	20,000	gallons used per month $	6.45	per 1,000 gallons
Next	70,000	gallons used per month $	6.45	per 1,000 gallons
All Over	100,000	gallons used per month $	5.85	per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.60 per month which is equivalent to 2,000 gallons or:

Equivalent Gallons				
5/8	inch meter $	20.60	per month	2,000
3/4	inch meter $	30.90	per month	3,597
1	inch meter $	51.50	per month	6,791
11/4	inch meter $	75.20	per month	10,465
11/2	inch meter $	103.00	per month	14,775
2	inch meter $	164.80	per month	24,357
3	inch meter $	309.00	per month	46,713
4	inch meter $	515.00	per month	78,651
6	inch meter $	1,030.00	per month	164,496
8	inch meter $	1,648.00	per month	270,137

UNMETERED/UNMEASURED RATE $36.73 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St. Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

DISCONNECT CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COSTS

An amount not to exceed $5.40 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

FIRE PROTECTION RATES

APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

AVAILABILITY OF SERVICE

Available for private fire protection service in entire territory served by the Municipal Utility Commission of the City of St. Albans.

RATES

An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge:

2 inch	$	72.00
3 inch	$	144.00
4 inch	$	288.00
6 inch	$	720.00
8 inch	$	1,200.00
10 inch	$	2,400.00
12 inch	$	3,000.00

For All Water Service Rendered on or after June 1, 2011, the following rates and charges shall be applicable:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

RATES (Customers with metered water supply)

First	2,000	gallons used per month	$10.00 per 1,000 gallons
Next	3,000	gallons used per month	$ 6.25 per 1,000 gallons
Next	5,000	gallons used per month	$ 6.25 per 1,000 gallons
Next	20,000	gallons used per month	$ 6.25 per 1,000 gallons
Next	70,000	gallons used per month	$ 6.25 per 1,000 gallons
All Over	100,000	gallons used per month	$ 5.65 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.00 per month which is equivalent to 2,000 gallons or:

Equivalent Gallons

5/8	inch meter $	20.00 per month	2,000
3/4	inch meter $	30.00 per month	3,600
1	inch meter $	50.00 per month	6,800
11/4	inch meter $	73.00 per month	10,800
11/2	inch meter $	100.00 per month	14,800
2	inch meter $	160.00 per month	24,400
3	inch meter $	300.00 per month	46,800
4	inch meter $	500.00 per month	78,800
6	inch meter $	1,000.00 per month	165,044
8	inch meter $	1,600.00 per month	271,239

UNMETERED/UNMEASURED RATE $35.63 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St. Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This preconstruction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This preconstruction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COSTS

An amount not to exceed $5.85 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

FIRE PROTECTION RATES

APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

AVAILABILITY OF SERVICE

Available for private fire protection service in entire territory served by the Municipal Utility Commission of the City of St. Albans.

RATES

An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge:

2 inch	$	72.00
3 inch	$	144.00
4 inch	$	288.00
6 inch	$	720.00
8 inch	$	1,200.00
10 inch	$	2,400.00
12 inch	$	3,000.00

The City of St. Albans does not currently serve any resale customers.

The requested rates and charges are only a proposal and are subject to change or modification by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon 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 twenty-five percent of the customers served by such municipally operated public utility; or

2. Any customer who is served by a municipally operated public utility 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 municipal utility. Said petition shall be accompanied by evidence of discrimination. This Ordinance will be effective upon second reading and adoption.

A public hearing regarding the rate increase set forth in the Ordinance will be held on the 7th day of June, 2010, beginning at 7:00 o'clock p.m., in the City Council Chambers located at 51 6th Avenue in the City of St. Albans, Kanawha County, West Virginia.

This Ordinance was introduced and read for a first time at a meeting of the St. Albans City Council held on the 17th day of May, 2010, and will be read a second time and considered for adoption, after a public hearing, at a regular meeting of the City Council to be held on the 7th day of June, 2010.

A complete copy of the proposed rates, as well as a representative of the City who may provide any information requested concerning the Ordinance, is available to all customers, prospective customers or their agents at the office of the Municipal Utility Commission of the City of St. Albans during regular business hours:

Pat Priddy
Municipal Utility Commission
1499 MacCorkle Avenue
P.O. Box 1270
St. Albans, WV 25177
(304) 722-3355

Dated this 18th day of May, 2010.

BARBARA CUNNINGHAM
City Clerk

(800510)

SEWER

Ordinance No: 2010-10

Introduced in Council: 5/17/10

Passed by Council: 6/7/10

AN ORDINANCE OF THE CITY OF ST. ALBANS, KANAWHA COUNTY, WEST VIRGINIA, AMENDING AND REENACTING THE ESTABLISHMENT AND FIXING OF RATES, CHARGES AND DELAYED PENALTY CHARGES FOR SANITARY SEWER SERVICE FOR CUSTOMERS OF THE MUNICIPAL UTILITY COMMISSION OF THE CITY OF ST. ALBANS, KANAWHA COUNTY, WEST VIRGINIA

WHEREAS, The Council of the City of St. Albans deems the present rates and charges for the furnishing of sanitary sewer service throughout the entire territory served by the City of St. Albans to be unable to provide sufficient revenue to the City of St. Albans to maintain and operate the sewer system and pay sinking fund requirements on any outstanding revenue bonds.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of the City of St. Albans, West Virginia:

SECTION 1.

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial (except unusual industrial waste) and resale (non-contract) sewer service.

CUSTOMER CHARGE

Each customer shall pay a customer charge of $5.00 per month.

COMMODITY CHARGE (Based on metered volumes of water supplied)

First 10,000 gallons used per month	$9.25 per 1,000 gallons
Over 10,000 gallons used per month	$6.50 per 1,000 gallons

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly minimum bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge. House trailer or mobile home courts served through a single meter shall be required to pay the monthly minimum bill multiplied by the number of units in place at the time the meter is read each month.

UNMETERED RATE

A flat fee of $42.00 based on 4,000 gallons of water usage per month, will be charged for all unmetered water customers.

LEAK ADJUSTMENT

An amount not to exceed $6.50 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

DELAYED PAYMENT PENALTY

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

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $500.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED WHERE
SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S
SANITARY SEWER SYSTEM

Where the utility has discovered that a customer's roof drain, down spouts, storm sewer or other similar facilities conducting surface water have been connected to the utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the utility in accordance with the Rules and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

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

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall, in inches

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The utility's approved rate per thousand gallons of metered water usage

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

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

$$Ci = VoVi + BoBi + SoSi$$

Ci - Charge to unusual users per year

Vo - Average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi - Volume of waste water from unusual users, in gallons per year

Bo - Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year

Bi - Weight of BOD from unusual users, in pounds per year

So - Average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound)

Si - Weight of total solids from unusual users, in pounds per year

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

Thereafter, unusual sewage service will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE IV

APPLICABILITY

Inside and outside of the corporate limits of the City of St. Albans.

Where the amount of sanitary sewage discharged into the utility's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge - each hauler shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the ***actual capacity*** of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not

interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

For All Sanitary Sewer Service Rendered on or after May 1, 2011, the following rates and charges shall be applicable:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial (except unusual industrial waste) and resale (non-contract) sewer service.

CUSTOMER CHARGE

Each customer shall pay a customer charge of $5.15 per month.

COMMODITY CHARGE (Based on metered volumes of water supplies)

First 10,000 gallons used per month	$9.50 per 1,000 gallons
Over 10,000 gallons used per month	$6.70 per 1,000 gallons

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly minimum bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge. House trailer or mobile home courts served through a single meter shall be required to pay the monthly minimum bill multiplied by the number of units in place at the time the meter is read each month.

UNMETERED RATE

A flat fee of $43.15 based on 4,000 gallons of water usage per month, will be charged for all unmetered water customers.

LEAK ADJUSTMENT

An amount not to exceed $6.70 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of

St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

DELAYED PAYMENT PENALTY

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

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $500.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's

residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

For All Sanitary Sewer Service Rendered on or after June 1, 2012, the following rates and charges shall be applicable:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial (except unusual industrial waste) and resale (non-contract) sewer service.

CUSTOMER CHARGE

Each customer shall pay a customer charge of $5.50 per month.

COMMODITY CHARGE (Based on metered volumes of water supplies)

First 10,000 gallons used per month	$10.00 per 1,000 gallons
Over 10,000 gallons used per month	$ 7.50 per 1,000 gallons

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly minimum bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge. House trailer or mobile home courts served through a single meter shall be required to pay the monthly minimum bill multiplied by the number of units in place at the time the meter is read each month.

UNMETERED RATE

A flat fee of $45.50 based on 4,000 gallons of water usage per month, will be charged for all unmetered water customers.

LEAK ADJUSTMENT

An amount not to exceed $7.50 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of

St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

DELAYED PAYMENT PENALTY

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

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

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A tap fee of $500.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's

residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

SECTION 2. The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective as to all bills rendered on and after forty five (45) days after passage, or as soon thereafter as legally permissible.

SECTION 3. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed.

SECTION 4. The Mayor of the City of St. Albans and the City Clerk are hereby authorized and directed to have prepared and filed with the Public Service Commission of West Virginia, new tariffs or tariff sheets reflecting the sewer rates and charges as herein ordained and to perform all other acts required by the statutes and laws of this State and valid applicable rules and regulations promulgated by the Public Service Commission of West Virginia, to fully effectuate the provisions of this ordinance.

SECTION 5. The City Clerk is hereby authorized and directed to publish, and post as required by law, a notice of the proposed adoption of this ordinance as a Class II-0 legal advertisement in compliance with the applicable requirements in a newspaper of general circulation in Kanawha County, West Virginia, with such notice stating the subject matter and title of the ordinance, the date, time and place of the council meeting which will consider the adoption of the ordinance, and such other information as may be required by law, and that any person interested may appear before the council on such date, at which time and place all parties and interests may be heard with respect to the adoption of this ordinance, and said notice shall be on file in the Office of the City Clerk, shall be posted at the Kanawha County Courthouse, and at the Municipal Utility Commission of the City of St. Albans' office building for review by interested persons during the regular office hours of such offices, and with such other information as the City Clerk may determine to be necessary.

This Ordinance will be effective upon second reading and adoption.

A public hearing regarding the rate increase provided by this Ordinance will be held on the 7 day of June, 2010, beginning at 7 o'clock p.m., in the City Council Chambers in the City of St. Albans, Kanawha County, West Virginia.

This Ordinance will be introduced and read for the first time at a meeting of City Council held on the 17 day of May, 2010, and will be read a second time and considered for adoption, after a public hearing, at a meeting of the City Council to be held on the 7 day of June, 2010.

Passed on first reading May 17, 2010

Public hearing held on June 7, 2010

Second and final reading June 7, 2010

MAYOR

Barbara L. Cunningham
CITY CLERK

Approved as to form:

Charles Riffee
CITY ATTORNEY

Prepared by:

H. Wyatt Hanna III

H. WYATT HANNA, III
P.O. Box 8070
South Charleston, WV 25303
(304) 744-3150
State Bar No. 1579

Sewer-pre

Charleston Newspapers

P.O. BOX 2993
Charleston, WV 25330
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LEGAL ADVERTISING INVOICE

INVOICE DATE	06/02/10
ACCOUNT NBR	046580004
SALES REP ID	0075
INVOICE NBR	662349001

M

BILL TO:

ST. ALBANS MUNICIPAL UTILTIY
JIM WESOLOWSKI
PO BOX 1270
ST ALBANS WV 25177 USA

Please return this portion with your payment.
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AMOUNT PAID: _____

INVOICE DATE	06/02/10
ACCOUNT NBR	046580004
SALES REP ID	0075
INVOICE NBR	662349001

Legal pricing is based upon 63 words per column inch.
Each sucessive insertion is discounted by 25% of the first insertion date.
The Daily Mail rate is $.13 per word, the Charleston Gazette rate is $.14 per word, and the Metro Putnam rate is $.13 per word.

END DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
05/25	LEGF	GZ	Sewer rate ordiance 662349005	0425630	3X1750 52.50	8.82	463.05	463.05
05/25	LEGF	DM	Sewer rate ordiance 662349006		3X1750 52.50	8.19	429.98	429.98
06/01	LEGR	GZ	Sewer rate ordiance 662349007		3X1750 52.50	8.82	463.05	
			LEGAL DISCOUNT 25%				115.76-	347.29
06/01	LEGR	DM	Sewer rate ordiance		3X1750			

State of West Virginia,

I, _____ of

do solemnly swear that the legal notice of:

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:

Subscribed and sworn to before me this _____ day of _____.

_____
Notary Public of Kanawha County, West Virginia

Sewer - prel

PUBLIC NOTICE OF PROPOSED CHANGES IN RATES AND CHARGES BY THE CITY OF ST. ALBANS, KANAWHA COUNTY, WEST VIRGINIA

NOTICE is hereby given that the City Council of the City of St. Albans, Kanawha County, West Virginia, will consider upon second reading an increase for its sanitary sewer rates and charges on Monday, June 7, 2010, beginning at 7:00 o'clock p.m., at the City Council Chambers located at 51 6th Avenue, in the City of St. Albans, West Virginia. The Council will conduct a public hearing and then consider the proposed Ordinance during the regular Council meeting which will follow the public hearing.

The proposed increased sewer rates and charges are to become effective not less than 45 days after the second reading and adoption of the Ordinance, unless otherwise ordered by the Public Service Commission of West Virginia.

The proposed new sewer rates and charges are as follows:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial (except unusual industrial waste) and resale (non-contract) sewer service.

CUSTOMER CHARGE

Each customer shall pay a customer charge of $5.00 per month.

COMMODITY CHARGE (Based on metered volumes of water supplied)

First 10,000 gallons used per month	$9.25 per 1,000 gallons
Over 10,000 gallons used per month	$6.50 per 1,000 gallons

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly minimum bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge. House trailer or mobile home courts served through a single meter shall be required to pay the monthly minimum bill multiplied by the number of units in place at the time the meter is read each month.

UNMETERED RATE

A flat fee of $42.00 based on 4,000 gallons of water usage per month, will be charged for all unmetered water customers.

LEAK ADJUSTMENT

An amount not to exceed $6.50 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

DELAYED PAYMENT PENALTY

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

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $500.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the utility has discovered that a customer's roof drain, down spouts, storm sewer or other similar facilities conducting surface water have been connected to the utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the utility in accordance with the Rules and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

AVAILABILITY

Available for general domestic, commercial, industrial (except unusual industrial waste) and resale (non-contract) sewer service.

CUSTOMER CHARGE

Each customer shall pay a customer charge of $5.15 per month.

COMMODITY CHARGE (Based on metered volumes of water supplies)

First 10,000 gallons used per month	$9.50 per 1,000 gallons
Over 10,000 gallons used per month	$6.70 per 1,000 gallons

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly minimum bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge. House trailer or mobile home courts served through a single meter shall be required to pay the monthly minimum bill multiplied by the number of units in place at the time the meter is read each month.

UNMETERED RATE

A flat fee of $43.15 based on 4,000 gallons of water usage per month, will be charged for all unmetered water customers.

LEAK ADJUSTMENT

An amount not to exceed $6.70 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

DELAYED PAYMENT PENALTY

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

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $500.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

For All Sanitary Sewer Service Rendered on or after June 1, 2012, the following rates and charges shall be applicable:

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial (except unusual industrial waste) and resale (non-contract) sewer service.

CUSTOMER CHARGE

Each customer shall pay a customer charge of $5.50 per month.

COMMODITY CHARGE (Based on metered volumes of water supplies)

First 10,000 gallons used per month	$10.00 per 1,000 gallons
Over 10,000 gallons used per month	$ 7.50 per 1,000 gallons

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly minimum bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge. House trailer or mobile home courts served through a single meter shall be required to pay the monthly minimum bill multiplied by the number of units in place at the time the meter is read each month.

UNMETERED RATE

A flat fee of $45.50 based on 4,000 gallons of water usage per month, will be charged for all unmetered water customers.

LEAK ADJUSTMENT

[illegible] 1,000 gallons is to be used when a bill reflects

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall, in inches

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The utility's approved rate per thousand gallons of metered water usage

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

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

$$Cl = VoVl + BoBl + SoSl$$

Cl - Charge to unusual users per year

Vo - Average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi - Volume of waste water from unusual users, in gallons per year

Bo - Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year

Bl - Weight of BOD from unusual users, in pounds per year

So - Average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound)

Sl - Weight of total solids from unusual users, in pounds per year

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

Thereafter, unusual sewage service will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE IV

APPLICABILITY

Inside and outside of the corporate limits of the City of St. Albans.

Where the amount of sanitary sewage discharged into the utility's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge - each hauler shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the ***actual capacity*** of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the utility.

DELAYED PAYMENT PENALTY

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

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

For All Sanitary Sewer Service Rendered on or after May 1, 2011, the following rates and charges shall be applicable:

APPLICABILITY

side of the meter. This rate shall be applied to all such [illegible] customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

DELAYED PAYMENT PENALTY

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DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

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RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

The requested rates and charges are only a proposal and are subject to change or modification by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon 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 twenty-five percent of the customers served by such municipally operated public utility; or

2. Any customer who is served by a municipally operated public utility 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 municipal utility. Said petition shall be accompanied by evidence of discrimination.

This Ordinance will be effective upon second reading and adoption.

A public hearing regarding the rate increase set forth in the Ordinance will be held on the 7th day of June, 2010, beginning at 7:00 o'clock p.m., in the City Council Chambers located at 51 6th Avenuein the City of St. Albans, Kanawha County, West Virginia.

This Ordinance was introduced and read for a first time at a meeting of the St. Albans City Council held on the 17th day of May, 2010, and will be read a second time and considered for adoption, after a public hearing, at a regular meeting of the City Council to be held on the 7th day of June, 2010.

A complete copy of the proposed rates, as well as a representative of the City who may provide any information requested concerning the Ordinance, is available to all customers, prospective customers or their agents at the office of the Municipal Utility Commission of the City of St. Albansduring regular business hours:

Pat Priddy
Municipal Utility Commission
1499 MacCorkle Avenue
P.O. Box 1270
St. Albans, WV 25177
(304) 722-3355

Dated this 18th day of May, 2010.

BARBARA CUNNINGHAM
City Clerk

(899511)

Sewer - post

Charleston Newspapers

P.O. BOX 2993
Charleston, WV 25330
Billing 348-4818
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

INVOICE DATE	06/21/10
ACCOUNT NBR	060170003
SALES REP ID	0085
INVOICE NBR	665986001

M

BILL TO:

CITY OF ST. ALBANS
PO BOX 1488****
1499 MACCORKLE AVENUE
ST ALBANS WV 25177 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____

INVOICE DATE	06/21/10
ACCOUNT NBR	060170003
SALES REP ID	0085
INVOICE NBR	665986001

Legal pricing is based upon 63 words per column inch.
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The Daily Mail rate is $.13 per word, the Charleston Gazette rate is $.14 per word, and the Metro Putnam rate is $.13 per word.

END DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
06/11	LEGF	DM	Notice of rate chang 665986001 Barbara Cu	0427788	4X0700 28.00	8.19	229.32	229.32
06/18	LEGR	DM	Notice of rate chang 665986002 Barbara Cu		4X0700 28.00	8.19	229.32	
			LEGAL DISCOUNT 25%				57.33-	171.99
			TOTAL INVOICE AMOUNT					401.31

State of West Virginia,

I, Sandra Sigg of

THE DAILY MAIL,

do solemnly swear that the legal notice of:

Notice of rate changes -

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:
06/11/10-06/18/10

Subscribed and sworn to before me this 22 day of June

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JILL S. TOTTEN
PO BOX 362
POWELLTON, WV 25161
My commission expires May 6, 2018

Jill S. Totten

Notary Public of Kanawha County, West Virginia

Sewer post

TARIFF FORM NO. 12

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the CITY OF SAINT ALBANS has adopted by ordinance, on June 7, 2010, a tariff containing a three phase increase in rates, tolls and charges for furnishing sewer service to approximately 6,273 customers at St. Albans and vicinity, in Kanawha County, West Virginia.

The proposed Phase I increased rates and charges will become effective 45 days from the effective date of the ordinance, unless otherwise ordered by the Public Service Commission, and will produce approximately $427,000 annually in additional revenue, an increase of 14.5%. The average monthly bill for the various classes of customers will be changed as follows:

BASED ON	($) INCREASE	INCREASE (%)
Residential (3,600 gal/mo.)	$6.46	20.3%
Commercial (8,000 gal/mo.)	$13.28	20.2%
Industrial (8,0000 gal/mo.)	$13.28	20.2%
Resale *	Not Applicable	Not Applicable
Public Authority (25,000 gal/mo)	$32.88	20.3%

* Greater St. Albans Public Service District is a contract customer.

The proposed Phase II increased rates and charges will become effective May 1, 2011, unless otherwise ordered by the Public Service Commission. The Phase II rates will produce approximately $35,000 annually in additional revenue, an increase of 1.0%. The average monthly bill for the various classes of customers will be changed as follows:

BASED ON	($) INCREASE	INCREASE (%)
Residential (3,600 gal/mo.)	$1.05	2.7%
Commercial (8,000 gal/mo.)	$2.15	2.7%
Industrial (8,000 gal/mo.)	$2.15	2.7%
Resale *	Not Applicable	Not Applicable
Public Authority (25,000 gal/mo)	$5.65	2.9%

* Greater St. Albans Public Service District is a contract customer.

The proposed Phase III increased rates and charges will become effective June 1, 2012, unless otherwise ordered by the Public Service Commission. The Phase III rates will produce approximately $75,000 annually in additional revenue, an increase of 2.2%. The average monthly bill for the various classes of customers will be changed as follows:

BASED ON	($) INCREASE	INCREASE (%)
Residential (3,600 gal/mo.)	$2.15	5.5%
Commercial (8,000 gal/mo.)	$4.35	5.4%
Industrial (8,000 gal/mo.)	$4.35	5.4%
Resale *	Not Applicable	Not Applicable
Public Authority (25,000 gal/mo)	$17.35	8.6%

* Greater St. Albans Public Service District is a contract 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. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service 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 twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility 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 municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to:

Public Service Commission of West Virginia
Executive Secretary
201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the offices of the City:

City of St. Albans Municipal Building
1499 MacCorkle Avenue
St. Albans, West Virginia 24801

A copy of the proposed rates is available for public inspection at the office of:

Public Service Commission of West Virginia
Executive Secretary
201 Brooks Street
Charleston, West Virginia 25323

(899532)

LAW OFFICES
GOODWIN & GOODWIN, LLP
300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678
P. O. BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107
TELEPHONE (304) 346-7000
TELECOPIER (304) 344-9692
www.goodwingoodwin.com

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
(304) 485-2345

P.O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

December 23, 2010

Crews & Associates, Inc.
Charleston, West Virginia

Re: $8,270,000 City of St. Albans
Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) and
$150,000 City of St. Albans, Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified)

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriter") in connection with the issuance and sale by the City of St. Albans (the "City") of its Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), in the aggregate principal amount of $8,270,000, and its Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified), in the aggregate principal amount of $150,000 (collectively, the "Series 2010 Bonds"). In connection with rendering this opinion, we have examined the Official Statement dated December 17, 2010, the Bond Purchase Agreement dated December 17, 2010 (the "Agreement"), and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

Based upon the foregoing review, we are of the opinion that you are not required to comply with the requirements of paragraph (b)(5) of the Rule.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the City, counsel for the City, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom the financial and statistical data included in the Official Statement, including Appendices A and B thereto, as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2010 Bonds.

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

December 23, 2010

City of St. Albans (West Virginia)
Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds)

City of St. Albans
St. Albans, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by the City of St. Albans (West Virginia) (the "Issuer") of its $ 8,270,000 in aggregate principal amount Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds").

The Series 2010 A 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 20 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted by the Issuer on October 4, 2010, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on December 6, 2010 (collectively, the "Bond Legislation") and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Legislation.

The Series 2010 A Bonds are issued in fully registered form, are dated December 23, 2010, upon original issuance, mature on December 1, 2040 in years and amounts and bear interest payable each June 1 and December 1, commencing June 1, 2011, as follows:

Bond No.	Maturity Date or Sinking Fund (December 1)	Principal Amount	Interest Rate	CUSIP No.
AR-1	12/1/2020	$1,435,000	6.750%	787175 CB2
AR-2	12/1/2025	$1,200,000	7.750%	787175 CC0
AR-3	12/1/2030	$1,485,000	8.000%	787175 CD8
AR-4	12/1/2035	$1,840,000	8.250%	787175 CE6
AR-5	12/1/2040	$2,310,000	8.500%	787175 CF3

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The Series 2010 A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Bond Legislation.

The Series 2010 A Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the System; (ii) funding the Series 2010 A Bonds Reserve account; (iii) capitalizing the interest due on the Series 2010 A Bonds to June 1, 2012.

The Series 2010 A Bonds have been sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement dated December 17, 2010, and accepted by the Issuer (the "Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Purchaser and other entities contained in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer, the Purchaser and other entities pertaining to tax matters set forth in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and with certain certificates delivered in connection with the issuance of the Series 2010 A Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing public corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Continuing Disclosure Agreement and the Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2010 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Purchase Agreement and the Continuing Disclosure Agreement and has issued and delivered the Series 2010 A Bonds to the Purchaser pursuant to the Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement and the Continuing Disclosure Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Series 2010 A Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable and enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

4. Interest on the Series 2010 A Bonds is not excludable from gross income for federal income tax purposes. Except as set forth in this paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Series 2010 A Bonds.

5. Under the Act, the Series 2010 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2010 A Bonds is

exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Series 2010 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2010 A Bonds, to register any securities under said Securities Acts.

7. The Series 2010 A Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (1) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the original aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the original aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the original aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking & Trust Company), dated December 3, 2008, issued in the original aggregate principal amount of $2,735,000 (the "Series 2008 A Bonds"), (collectively, the "Prior Bonds"); and (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified), dated December 23, 2010, issued simultaneously herewith in the original aggregate principal amount of $150,000, (the "Series 2010 B Bond"); all in accordance with the terms of the Series 2010 A Bonds and the Bond Legislation.

It is to be understood that the rights of the holders of the Series 2010 A Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2010 A Bonds, the Bond Legislation, the Continuing Disclosure Agreement and the Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond Nos. AR-1 through AR-5 of said issue, and in our opinion, said Series 2010 A Bonds are in proper form and have been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

The foregoing opinion was written to support the promotion or marketing of the Series 2010 A Bonds and was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice with respect to the Series 2010 A Bonds based on its particular circumstances from an independent tax advisor.
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Writer's Contact Information

December 23, 2010

City of St. Albans (West Virginia)
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

City of St. Albans
St. Albans, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by the City of St. Albans (West Virginia) (the "Issuer") of its $150,000 in aggregate principal amount Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds").

The Series 2010 B 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 20 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted by the Issuer on October 4, 2010, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on December 6, 2010 (collectively, the "Bond Legislation") and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Legislation.

The Series 2010 B Bonds are issued in fully registered form, are dated December 23, 2010, upon original issuance, mature on December 1, 2013 in years and amounts and bear interest payable each June 1 and December 1, commencing June 1, 2011, as follows:

Bond No.	Maturity Date (December 1)	Principal Amount	Interest Rate	CUSIP No.
BR-1	12/1/2013	$150,000	4.500%	787175 CG1

The Series 2010 B Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Bond Legislation.

The Series 2010 B Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the System; (ii) capitalizing the interest due on the Series 2010 B Bonds; and (iii) paying the costs of issuance of the Series 2010 Bonds.

The Series 2010 B Bonds have been sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement dated December 17, 2010, and accepted by the Issuer (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Purchaser and other entities contained in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer, the Purchaser and other entities pertaining to tax matters set forth in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and with certain certificates delivered in connection with the issuance of the Series 2010 B Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing public corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Continuing Disclosure Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2010 B Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Bond Purchase Agreement and the Continuing Disclosure Agreement and has issued and delivered the Series 2010 B Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement and the Continuing Disclosure Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Series 2010 B Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable and enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2010 B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. In addition, interest on the Series 2010 B Bonds is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Series 2010 B Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications,

covenants and representations which may affect the excludability from gross income of the interest on the Series 2010 B Bonds set forth in the Bond Legislation, and the Tax and Non-Arbitrage Certificate. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2010 B Bonds to be includable in gross income retroactive to the date of issuance of the Series 2010 B Bonds. We express no opinion regarding other tax consequences arising with respect to the Series 2010 B Bonds except as expressly set forth in paragraph 5.

5. Under the Act, the Series 2010 B Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2010 B Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Series 2010 B Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2010 B Bonds, to register any securities under said Securities Acts.

7. The Series 2010 B Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (1) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the original aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the original aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the original aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking and Trust Company), dated December 3, 2008, issued in the original aggregate principal amount of $2,735,000 (the "Series 2008 A Bonds"); (collectively, the "Prior Bonds"); and (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), dated December 23, 2010, issued simultaneously herewith in the original aggregate principal amount of $8,270,000, (the "Series 2010 A Bonds"); all in accordance with the terms of the Series 2010 B Bonds and the Bond Legislation.

8. The Issuer has designated the Series 2010 B Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

It is to be understood that the rights of the holders of the Series 2010 B Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2010 B Bonds, the Bond Legislation, the Continuing Disclosure Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. BR-1 of said issue, and in our opinion, said Series 2010 B Bonds are in proper form and have been duly executed and authenticated.

Very truly yours,

STEP TOE & JOHNSON PLLC

858350.00006

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Writer's Contact Information

December 23, 2010

City of St. Albans (West Virginia)
Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds)

City of St. Albans
St. Albans, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the City of St. Albans, West Virginia (the "Issuer") of its $8,270,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "2010 A Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the 2010 A Bonds (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Bond Purchase Agreement") dated December 17, 2010, between the Issuer and Crews & Associates, Inc. (the "Underwriter") and approved by the Issuer.

Based upon the foregoing, we are of opinion that:

(1) The Bond Purchase Agreement has been authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, is a legal, valid, binding and enforceable obligation of the Issuer (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' rights generally).

(2) The Issuer, under the Act, has full power and authority to enact the Bond Legislation, enter into the Undertaking and the Bond Purchase Agreement and perform its obligations thereunder.

(3) The Issuer has duly ratified the distribution of the Official Statement, the Official Statement has been duly approved, signed and delivered by the City, and the Issuer has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the Series 2010 A Bonds.

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(4) The statements and information contained in the Official Statement under the captions or subcaptions "INTRODUCTION," "THE SERIES 2010 A BONDS," (except the sub-section entitled "Book Entry Bonds" to which no opinion is expressed hereby), "SECURITY FOR THE SERIES 2010 A BONDS," "BOND ORDINANCE," "TAX MATTERS," "APPENDIX D – FORM OF OPINION OF BOND COUNSEL" and, if applicable, the form of the Ordinance in Appendix E to the Official Statement (except for financial or statistical data therein as to which no opinion is hereby expressed) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The 2010 A Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

STEPTOE & JOHNSON PLLC

12.20.10
858350.00006

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

December 23, 2010

City of St. Albans (West Virginia)
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

City of St. Albans
St. Albans, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the City of St. Albans, West Virginia (the "Issuer") of its $150,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "2010 B Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the 2010 B Bonds and the exclusion of interest on the 2010 B Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Bond Purchase Agreement") dated December 17, 2010, between the Issuer and Crews & Associates, Inc. (the "Underwriter") and approved by the Issuer.

Based upon the foregoing, we are of opinion that:

(1) The Bond Purchase Agreement has been authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, is a legal, valid, binding and enforceable obligation of the Issuer (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' rights generally).

(2) The Issuer, under the Act, has full power and authority to enact the Bond Legislation, enter into the Undertaking and the Bond Purchase Agreement and perform its obligations thereunder.

(3) The Issuer has duly ratified the distribution of the Official Statement, the Official Statement has been duly approved, signed and delivered by the Issuer, and the Issuer has

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authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the 2010 B Bonds.

(4) The statements and information contained in the Official Statement under the captions or subcaptions "INTRODUCTION," "THE SERIES 2010 B BONDS," (except the sub-section entitled "Book Entry Bonds" to which no opinion is expressed hereby), "SECURITY FOR THE SERIES 2010 B BONDS," "BOND ORDINANCE," "TAX MATTERS," "APPENDIX D – FORM OF OPINION OF BOND COUNSEL" and, if applicable, the form of the Ordinance in Appendix E to the Official Statement (except for financial or statistical data therein as to which no opinion is hereby expressed) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The 2010 B Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

STEPTOE & JOHNSON PLLC

12.21.10
858350.00006

H. Wyatt Hanna III
Attorney at Law

H. Wyatt Hanna, III WV State Bar No. 1579

P. O. Box 8070 • South Charleston, West Virginia 25303
(304) 744-3150 • Fax (304) 744-3157

December 23, 2010

City of St. Albans (West Virginia)
$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

City of St. Albans
St. Albans, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I have acted as counsel for the City of St. Albans (the "Issuer") and have acted as such in connection with the sale of the above-referenced Bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of December 17, 2010 (the "Bond Purchase Agreement") between Crews & Associates, Inc., (the "Underwriter") and the Issuer. Any capitalized term used herein and not defined shall have the meaning assigned to it in the Bond Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, the Constitution and the laws of the State of West Virginia, specifically Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), the Ordinance of the Issuer relating to the Bonds enacted on October 4, 2010, as supplemented by a Supplemental Parameters Resolution adopted December 6, 2010 (collectively, the "Bond Legislation"), the Continuing Disclosure Agreement (the "Undertaking"), the Bond Purchase Agreement, the Preliminary Official Statement dated December 10, 2010, the Official Statement dated December 17, 2010, with respect to the issuance and offering of the Bonds (collectively, the "Official Statement") and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. The Issuer is a municipal corporation and political subdivision of the State of West Virginia. The Issuer is authorized by the laws of the State of West Virginia, as provided by the Act, to enter into and perform its obligations under the Bond Legislation, the Undertaking and the Bond Purchase Agreement.

2. The Issuer has full power and authority to consummate all transactions contemplated by the Bonds, the Bond Purchase Agreement, the Undertaking and any and all other agreements relating thereto, to which the Issuer is a party.

3. The Issuer has duly authorized all action necessary to be taken by it or on its behalf for (i) the acquisition and construction of the Project; (ii) the execution and delivery of the Undertaking and the Bond Purchase Agreement; (iii) the approval of the distribution of the Official Statement; (iv) the ratification of the actions of the Issuer and the issuance and delivery of the Bonds upon the terms set forth in the Bond Legislation; and (v) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

4. The Undertaking and the Bond Purchase Agreement have been duly and validly authorized, executed and delivered by the Issuer and the same are in full force and effect as of the date hereof and are valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally.

5. The Bond Legislation has been duly adopted at meetings of the governing body of the Issuer which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of the enactment of the Bond Legislation and the Bond Legislation is the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms.

6. The execution and delivery by the Issuer of the Undertaking and the Bond Purchase Agreement and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes organizing and governing the Issuer or, to the best of my knowledge after diligent inquiry and review of the Issuer's records, any agreement or other instrument to which the Issuer is a party or by which it or its properties are bound.

7. All actions necessary to be taken by the Issuer have been taken, and no additional approval, authorization, consent or other order of the Issuer or any public board or body is legally required to allow the Issuer to enter into and perform its obligations under the Bond Purchase Agreement or as described in the Official Statement.

8. The Issuer is not in violation of any provision of, or in default under, West Virginia statutes organizing and governing the Issuer.

9. To the best of my knowledge (i) no litigation is pending or threatened (a) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Revenues pledged under the Ordinance, (b) in any way contesting the power or the authority of the Issuer for the issuance of the Bonds or

the validity of the Bonds, or the Bond Documents, (c) in any way contesting the existence or powers of the Issuer relating to the issuance of the Bonds, (ii) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to disclose therein in order to make the statements and information therein with respect to the Issuer not misleading in any material respect, (iii) the Issuer is a body corporate and politic (constituting a governmental agency of the State and existing under the provisions of the Act, pursuant to which the Issuer has full legal right, power and authority to enter into the Bond Documents and each constitutes the legal, valid and binding agreement of the Issuer enforceable in accordance with its respective terms (subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and to general principles of equity), and compliance with the provisions of each thereof will not conflict with or constitute a violation or breach of or default under any existing law or administrative rule or regulation, or any court order or decree or any agreement, contract or other instrument, to which the Issuer is party or otherwise subject or bound, (v) the Official Statement has been duly approved, executed and delivered by the Issuer, and (vi) the statements contained in the Official Statement under the captions "Financing Plan," "Absence of Material Litigation," "Management's Discussion," and "Continuing Disclosure" (as such information pertains to the Issuer) (do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

10. All approvals, consents, authorizations, Bond Legislation and orders of or filings or registrations with any governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute conditions precedent to, or the absence of which would materially adversely affect, the due performance by the Issuer of its obligations under the Bond Legislation, the Bonds or the Bond Purchase Agreement, have been duly obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds, as to which no opinion is hereby expressed.

11. The Bond Legislation creates a legally valid and binding pledge of, and lien and charge upon, the security, for payment of the principal of, premium, if any, and interest on the Bonds as the same become due and for the other purposes provided in the Bond Legislation, subject only to the provisions of the Bond Legislation permitting application thereof on the terms and conditions set forth in the Bond Legislation.

Very truly yours,

H. Wyatt Hanna, III

CITY OF ST. ALBANS (WEST VIRGINIA)

$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. PUBLIC SERVICE COMMISSION APPROVAL
5. LAND AND RIGHTS OF WAY
6. CONTRACTORS' INSURANCE, ETC.
7. AWARD OF SERIES 2010 BONDS; SIGNATURES
8. DELIVERY AND PAYMENT
9. CERTIFICATION OF DOCUMENTS
10. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
11. MEETINGS, ETC.
12. INCUMBENCY AND OFFICIAL NAME
13. RATES
14. OFFICIAL STATEMENT CERTIFICATION
15. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 6(c)(iv) AND SECTION 6(c)(viii);
16. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK
17. PRIVATE USE OF FACILITIES
18. NO FEDERAL GUARANTY
19. IRS INFORMATION RETURN
20. SPECIMEN SERIES 2010 A BONDS AND SERIES 2010 B BONDS
21. RELIANCE OF BOND COUNSEL
22. USE OF SERIES 2010 BOND PROCEEDS
23. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CLERK of the City of St. Albans, West Virginia (the "Issuer") and the undersigned ATTORNEY for the Issuer, hereby certify, on this the 23rd day of December, 2010 , in connection with the $8,270,000 aggregate principal amount of the City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds") and the $150,000 aggregate principal amount of the City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds"), both dated the date hereof (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the bond ordinance of the Issuer duly enacted October 4, 2010, as supplemented by a Supplemental Parameters Resolution duly adopted December 6, 2010 (collectively, the "Bond Legislation"), and the Bond Purchase Agreement dated December 17, 2010 (the "Bond Purchase Agreement"), by and between the Issuer and the Underwriter.

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance and delivery of the Bonds, or the collection of the Gross Revenues of the System or the pledge of Net Revenues to the payment of the principal of and interest on the Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds, nor in any manner affecting the validity or enforceability of the Bonds, the Bond Legislation, the Undertaking, Agreement or the Bond Purchase Agreement or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the Mayor, Clerk and the members of the City Council of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the issuance, sale and delivery of the Bonds which are not set forth in the Official Statement relating to the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates required by law for acquisition and construction of the Project, operation of the System and issuance of the Bonds have been obtained, or will be obtained prior to construction, and, to the extent such approvals and certificates have been obtained as of the date hereof, remain in full force and effect. Competitive bids for construction of the Project will be solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended.

4. PUBLIC SERVICE COMMISSION APPROVAL: The Issuer has received the Commission Order entered on December 2, 2010 of the Public Service Commission of West Virginia, in Case No. 10-1337-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervener or other person not a party to such Order. Such order remains in full force and effect.

5. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and 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.

6. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk

insurance where applicable, with commercially reasonable limits. All insurance for the System required by the Ordinance is in full force and effect. The System is not presently covered by policies of flood or business interruption insurance, but will be if such coverages are available at reasonable cost.

7. AWARD OF THE BONDS; SIGNATURES: The Bonds were awarded to Crews & Associates, Inc. (the "Underwriter") pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, for a total purchase price of $8,100,845.50 for the City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (representing par value of $8,420,000 minus an original issue discount of $108,654.50 and minus an Underwriter's discount of $210,500). There is no accrued interest on the Bonds.

As of the date hereof, the Bonds were duly signed by the manual signature of the Mayor of the Issuer, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed thereon and attested by the manual signature of the Clerk of the Issuer.

8. DELIVERY AND PAYMENT: The undersigned Mayor did, on the date hereof, deliver to the Underwriter, the entire issue of the Series 2010 A Bonds in various denominations and numbered AR-1 to AR-5, inclusive. The undersigned Mayor did, on the date hereof, deliver to the Underwriter, the entire issue of the Series 2010 B Bonds numbered BR-1. At the time of delivery of the Bonds, there was paid to the Issuer (or others, on behalf of the Issuer) the agreed price therefor as follows:

Series 2010 Bonds

Par Amount of Series 2010 A Bonds	$8,270,000.00
Par Amount of Series 2010 B Bonds	$150,000.00
Less: Original Issue Discount	(108,654.50)
Less: Underwriters Discount	(210,500.00)
Total Purchase Price	$8,100,845.50

9. CERTIFICATION OF DOCUMENTS: There are delivered herewith true, correct and complete copies of the following documents, all of which remain in full force and effect and have not been amended, modified, supplemented, rescinded or repealed unless changed by the terms of other documents listed below:

Bond Ordinance

Supplemental Parameters Resolution

Public Service Commission Orders

City Charter

Oaths of Office of Officers and Councilmembers

Resolution on Open Governmental Proceedings Rules

Water Rate Ordinance

Sewer Rate Ordinance

Minutes on Enactment of Rate Ordinances and Notices of Public Hearings

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

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

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

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

Official Statement

Bond Purchase Agreement

Continuing Disclosure Agreement

Consent of West Virginia Water Development Authority

10. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System of the Issuer since December 17, 2010. There are outstanding obligations of the Issuer which will rank on a parity with the Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the original aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the original aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the original aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); and (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking & Trust Company), dated December 3, 2008, issued in the original aggregate principal amount of $2,735,000 (the "Series 2008 A Bonds") (collectively the "Prior Bonds"). The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the

Prior Ordinance. The Series 2010 A Bonds and Series 2010 B Bonds are collectively known as the "Series 2010 Bonds".

The Series 2010 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, (ii) the written consent of the registered owners of the Series 2000 B Bonds and Series 2000 C Bonds to the issuance of the Series 2010 Bonds on a parity with the Prior Bonds. The Series 2000 A Bonds and Series 2008 A Bonds do not require consent. Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which are secured by revenues or assets of the System.

11. 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.

12. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "City of St. Albans". The Issuer is a municipal corporation in Kanawha County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, Clerk and twelve (12) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Richard Callaway, Mayor	6/1/2009	6/1/2013
John Boles, Jr.	6/1/2009	6/1/2013
Dan L. Cain, Sr.	6/1/2009	6/1/2013
Jerry Cougar	6/1/2009	6/1/2013
Robert J. Keiffer	6/1/2009	6/1/2013
Xris Hess	6/1/2009	6/1/2013
Ronald K. Colby, III	6/1/2009	6/1/2013

Cheryl Thomas	6/1/2009	6/1/2013
Helen Warren	6/1/2009	6/1/2013
Loretta Griffith	6/1/2009	6/1/2013
Desper Lemon	6/1/2009	6/1/2013
Kevin Pennington	6/1/2009	6/1/2013
Stephen Donelson	6/1/2009	6/1/2013

The duly appointed City Clerk is Barbara Cunningham, the duly appointed Counsel to the Issuer is Charles Riffee and the duly appointed Counsel to the Municipal Utility Commission is H. Wyatt Hanna, III, in South Charleston, West Virginia.

13. RATES: The Issuer has duly enacted a sewer rate ordinance on June 7, 2010 and a water rate ordinance enacted June 7, 2010, setting rates and charges of the System. The time for appeal of such Orders has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

14. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

15. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 6(c)(vii) AND SECTION 6(c)(x): In addition to the foregoing, the undersigned hereby certify, as of the date hereof, that: (i) the Issuer has duly performed all of its obligations to be performed at or prior to the Closing and that each of its representations and warranties contained in the Bond Purchase Agreement are true as of the Closing, (ii) the Issuer has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bonds, the Bond Legislation, the Undertaking, and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (iii) to our knowledge no litigation is pending, or to our knowledge threatened, to restrain or enjoin the collection of the Gross Revenues, the pledge of the Net Revenues, the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the Bond Legislation, (iv) the execution, delivery, receipt and due performance of the Bonds, the Bond Legislation, the Undertaking and the other agreements contemplated by the Bond Purchase Agreement and by the Official Statement under the circumstances contemplated thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on its part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which it is subject or by which it is or may be bound, (v) the Issuer is in compliance with all covenants in its outstanding ordinances which authorized bonds secured by the Net Revenues of the System; and (vi) the Issuer is obligated by the Undertaking established in the Continuing Disclosure

Agreement and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5).

16. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK: The Issuer hereby confirms the appointment of UNITED BANK, INC., Charleston, West Virginia, as Registrar and Depository Bank, and the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, however, costs of issuance for the Bonds will be deposited with United Bank, Inc., Charleston, West Virginia.

17. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal of or interest on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person other than a governmental unit, other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder.

18. NO FEDERAL GUARANTY: The Bonds are not, in whole or part, and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

19. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign properly completed IRS Forms 8038-G and 8038-B for the Bonds and will cause such executed Forms 8038-G and 8038-B to be filed in a timely manner with the Internal Revenue Service Center, Ogden, Utah. The information set forth in such Forms 8038-G and 8038-B are true, correct and complete in all respects.

20. SPECIMEN SERIES 2010 A BONDS AND SPECIMEN SERIES 2010 B BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

21. RELIANCE OF BOND COUNSEL: The undersigned acknowledge that it is intended that interest on the Bonds be exempt from federal income tax in the hands of the owners thereof, that the firm of Steptoe & Johnson PLLC is rendering opinions on the date hereof to said effect and with respect to other matters, and that, in rendering said opinions, said firm is relying, among other things, upon the statements made herein. Said firm is entitled to rely upon such statements.

22. USE OF BOND PROCEEDS: The proceeds of the Bonds will be used to pay a portion of the costs of acquisition and construction of the Project, fund a reserve account for the Series 2010 A Bonds, capitalize interest on the Series 2010 A Bonds and the Series 2010 B Bonds, and to pay costs of issuance of the Bonds and other costs in connection with the issuance of the Bonds.

23. EXECUTION OF COUNTERPARTS: This Certificate may be executed in counterparts, and all counterparts shall be deemed to be the Certificate.

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

Signature	Official Title
	Mayor
	Clerk
	Attorney

08.17.10
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$8,270,000
CITY OF ST. ALBANS (WEST VIRGINIA)
TAXABLE - COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Dated: December 23, 2010

Delivery Date: December 23, 2010

TAX CERTIFICATE AND AGREEMENT

The undersigned is the Mayor of the City of St. Albans (the *"Issuer"* or the *"City"*).

This Tax Certificate and Agreement (the *"Tax Certificate and Agreement"*) is executed as of December 23, 2010 for the purpose of establishing the reasonable expectations of the Issuer as to future events regarding the $8,270,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the *"Series 2010 A Bonds"*) and the use of the proceeds of the Series 2010 A Bonds. The certifications and representations made herein are intended, and may be relied upon, as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations. The Series 2010 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance enacted by the Council of the City on October 4, 2010 (the "Bond Ordinance"), as supplemented and conformed by a Supplemental Parameters Resolution adopted by the Council of the City on December 6, 2010 (the "*Supplemental Resolution*" and collectively with the Bond Ordinance, hereinafter the *"2010 Bond Ordinance"*).

This Tax Certificate and Agreement also sets forth certain terms and conditions relating to the restrictions on the use and investment of the proceeds of the Series 2010 A Bonds in order that the Series 2010 A Bonds will be treated as recovery zone economic development bonds for federal income tax purposes.

NOW, THEREFORE, the Issuer hereby certifies, covenants, represents and agrees as follows:

ARTICLE I

GENERAL

Section 1.1 Authorization. The Series 2010 A Bonds are being executed and delivered by the Mayor pursuant to the 2010 Bond Ordinance and such execution and delivery was authorized by the 2010 Bond Ordinance.

Section 1.2 Definitions. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings set forth in the 2010 Bond Ordinance or, if not defined in the

2010 Bond Ordinance, in Sections 103, 141 through 150, 54AA, 1400U-1, 1400U-2 and 6431 of the Internal Revenue Code of 1986, as amended (the *"Code"*), and related Treasury Regulations.

Section 1.3 Purpose of the Series 2010 A Bonds. The Series 2010 A Bonds are being executed and delivered for and on behalf of the Issuer for the following purposes:

(i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing waterworks portion (the "Project") of the City's System;

(ii) to fund a reserve account for the Series 2010 A Bonds;

(iii) to capitalize the interest on the Series 2010 A Bonds to June 1, 2012; and

(iv) to pay certain costs of issuance related to the Series 2010 A Bonds.

Section 1.4 Reliance on Other Parties. The expectations of the Issuer concerning certain uses of the proceeds of the Series 2010 A Bonds and other matters are based in whole or in part on representations and certifications of other parties set forth in this Tax Certificate and Agreement and accompanying certificates. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation or certification made in this Tax Certificate and Agreement and accompanying certificates.

Section 1.5 Governmental Bond.

(a) The Project is expected during the term of the Series 2010 A Bonds to be used by the Issuer in conjunction with the Issuer's governmental purposes. The Project is not expected during the term of the Series 2010 A Bonds to be sold or disposed of in whole or in part.

(b) For purposes of this Certificate, "Nonqualifying Use" means use of the proceeds of the Series 2010 A Bonds or the Project in any activity by a person or organization that is not (a) a state or local government; or (b) a natural person. Notwithstanding the preceding sentence, Nonqualifying Use shall not include: (a) use as a member of the general public pursuant to arrangements with a term of less than 200 days; and (b) use by a nongovernmental person pursuant to an arrangement with a term of less than 50 days that is a result of arms-length negotiations and compensation payable under the arrangement is not less than fair market value.

(c) For purposes of this Certificate, "Measurement Year" means each one year period beginning on the date the first asset constituting a portion of the Project is placed in service (the "Service Date") and ending on the day before the anniversary of the Service Date with succeeding periods beginning on the applicable anniversary of the Service Date and ending on the anniversary of the ending date of the previous one year period. For purposes of this Certificate, Nonqualifying Use is measured for each Measurement Year by dividing the proceeds allocable to the Nonqualifying Use by the total proceeds of the Series 2010 A Bonds.

(d) As of the date of this Certificate, the Issuer expects that the Nonqualifying Use in every Measurement Year (within the period beginning on the Service Date and ending on the date the Series 2010 A Bonds are retired, hereinafter referred to as the "Measurement Period") will be less than ten percent (10%).

(e) The Issuer represents that, if Nonqualifying Use exceeds ten percent (10%) for any Measurement Year during the Measurement Period, the Issuer will either (a) take appropriate actions so as to reduce the "private business use" (within the meaning of Section 1.141-3 of the Regulations) to ensure that the average of such "private business use" for all Measurement Years in the Measurement Period does not exceed ten percent (10%); (b) restrict the private payments and private security (within the meaning of Section 1.141-4 of the Regulations) to less than ten percent (10%) of the proceeds of the Series 2010 A Bonds; or (c) take appropriate remedial actions in accordance with Section 1.141-12 of the Regulations.

Section 1.6 Single Issue for Certain Tax Purposes. No obligations, other than the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "2010 B Bonds"), are (i) being sold at substantially the same time (i.e., within fifteen (15) days) as the Series 2010 A Bonds, (ii) being sold pursuant to the same plan of financing as the Series 2010 A Bonds, and (iii) reasonably expected to be paid from substantially the same source of funds as the Series 2010 A Bonds, determined without regard to guarantees from unrelated parties. Pursuant to Section 1.150-1(c)(2) of the Regulations, the Issuer's Series 2010 B Bonds, being issued simultaneously with the Series 2010 A Bonds, are not treated as part of the same issue of bonds as the Series 2010 A Bonds for federal tax purposes.

Section 1.7 Series 2010 A Bonds Not Hedge Bonds. The Series 2010 A Bonds are not "hedge bonds" (within the meaning of Section 149(g) of the Code) because the Issuer expects that (a) at least 85% of the proceeds will be allocated to expenditures for the Projects no later than three years from the date hereof and (b) not more than 50% of the proceeds of the Series 2010 A Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more.

ARTICLE II

ARBITRAGE

Section 2.1 Reasonable Expectations. This Article II states the reasonable expectations, statements of facts and estimates of the Issuer with respect to the amount and use of the proceeds of the Series 2010 A Bonds and certain other funds. On the basis of the following, it is not expected that the Series 2010 A Bonds will be *"arbitrage bonds"* within the meaning of Section 148 of the Code.

Section 2.2 Original Proceeds

(a) Original Proceeds. The Bonds have been sold to Crews & Associates, Inc. (the "Underwriter"), at a price of $8,001,076.63 (the "Original Proceeds"). The Underwriter has made a public offering of the Bonds at a price of $8,161,345.50 (the "Offering Price"), which price is the par amount of the Bonds ($8,270,000.00) minus original issue discount of $108,654.50. The Underwriter will retain $160,268.87 of the Offering Price as its compensation for selling the Bonds.

(b) Uses of Proceeds. The Original Proceeds of the Series 2010 A Bonds are expected to be needed and fully expended as follows:

(i) An amount of $0.00 will be deposited in the Costs of Issuance Fund (the *"Costs of Issuance Fund"*) established under the 2010 Bond Ordinance and used to pay the costs of issuance of the Series 2010 A Bonds.

(ii) An amount of $6,950,000 of the Original Proceeds shall be deposited to the Construction Fund (the "Construction Proceeds") created pursuant to the 2010 Bond Ordinance and along with any investment earnings thereon and other funds will be used to pay costs of construction and acquisition of the Project.

(iii) An amount of $519,794.13 will be used to capitalize the interest on the Series 2010 A Bonds to June 1, 2011.

(iv) An amount of $531,282.50 will be used be deposited in the Series 2010 A Bonds Reserve Account established under the 2010 Bond Ordinance. Such deposit does not exceed the least of (i) 10% of the proceeds of the Series 2010 A Bonds, (ii) maximum annual principal and interest requirements of the Series 2010 A Bonds and (iii) 125% of average annual principal and interest requirements of the Series 2010 A Bonds.

(c) All Construction Proceeds and investment earnings thereon will be used to finance expenditures incurred subsequent to August 8, 2008 (60 days prior to October 7, 2008 the date of adoption of the Reimbursement Resolution by the Issuer), except expenditures that qualify as "preliminary expenditures" under Section 1.150-2 of the Regulations or expenditures authorized by a resolution complying with Section 1.150-2 of the Regulations.

(d) The Construction Proceeds and anticipated investment earnings thereon do not exceed the amount necessary to complete the construction of the Projects.

Section 2.3 No Overissuance. The total proceeds to be received from the sale of the Series 2010 A Bonds and anticipated investment earnings thereon do not exceed the total of the amount necessary to finance the governmental purposes for which the Series 2010 A Bonds are issued as described above.

Section 2.4 Investment of Proceeds. No portion of the Series 2010 A Bonds is being issued solely for the purpose of investing the proceeds at a yield higher than the yield on the Series 2010 A Bonds or to replace funds which were used, directly or indirectly, to acquire investments with a yield higher than the yield on the Series 2010 A Bonds.

The amounts derived from the sale of the Series 2010 A Bonds and amounts deposited in the funds described above may be invested as follows:

(a) Proceeds of the Series 2010 A Bonds deposited in the Costs of Issuance Fund may be invested at an unrestricted yield for six months from date of deposit.

(b) Proceeds of the Series 2010 A Bonds deposited in the Construction Fund may be invested at an unrestricted yield for 3 years from date of deposit.

(c) Proceeds of the Series 2010 A Bonds deposited in the Series 2010 A Bonds Reserve Account may be invested at an unrestricted yield from date of deposit.

(d) Amounts if any, other than proceeds derived from the sale of the Series 2010 A Bonds, deposited in the Sinking Fund may be invested at an unrestricted yield for a period not exceeding thirteen months from the date of the first deposit of such amounts to such funds or accounts. Earnings of such amounts may be invested at an unrestricted yield for a period not exceeding one year from the date of receipt of the amount earned.

(e) Amounts described in subparagraphs (a) through (c) which cannot be invested at an unrestricted yield pursuant to such subparagraphs, shall be invested at a yield not in excess of the yield on the Series 2010 A Bonds (4.5715129%) by any amount.

Section 2.5 Funds and Accounts.

(a) The following funds and accounts are established or approved and continued under the 2010 Bond Ordinance:

(i) Revenue Fund (created by Prior Ordinance):

(ii) Renewal and Replacement Fund (created by Prior Ordinance);

(iii) Series 2010 A Bonds Sinking Fund;

(iv) Series 2010 A Bonds Reserve Account;

(v) Redemption Account;

(vi) Costs of Issuance Fund; and

(vii) Series 2010 Bonds Acquisition and Construction Fund

(b) Three Year Temporary Period. Proceeds of the Series 2010 A Bonds held in the Construction Fund will be used to pay costs relating to the Project, and proceeds of the Series 2010 A Bonds held in the Costs of Issuance Fund will be used to pay the costs of issuing the Bonds within six months of the Closing Date. No later than six months after the Closing Date, any moneys remaining in the Costs of Issuance Fund will be transferred to the Project Fund. The Issuer reasonably expects that at least 85% of the Net Sale Proceeds will be spent to pay costs relating to the Project before December 23, 2013. The Issuer heretofore incurred or within six months of the date hereof will incur a binding obligation to a third party involving an expenditure of not less than 5% of the Net Sale Proceeds for the Project. The completion of the Project and the allocation of the Net Sale Proceeds to costs of the Project will proceed with due diligence. Amounts held in the Construction Fund and in the Costs of Issuance Fund will be invested without regard to yield through December 23, 2013. The Issuer estimates that the Sale Proceeds and Investment Proceeds of the Bonds and investment income thereon will be expended in accordance with the "Forecasted Usage of Bond Proceeds" attached hereto as Exhibit A.

(c) Revenue Fund. The Gross Revenues of the System, including monthly sewer user charges, government subsidies, funds appropriated from other sources, if any, plus, if and when said Funds have been fully funded, interest earned upon the investment of money in the respective Funds are required to be deposited monthly into the Revenue Fund. The Revenue Fund is essentially a clearing fund and is expected to be transferred and depleted on a monthly basis.

(d) Sinking Fund. The Sinking Fund consists of a Principal and Interest Account for the payment of the principal and interest on all Outstanding Bonds against the System as same fall due, and there is monthly deposited from the Revenue Fund into the Sinking Fund (1) an amount equal to 1/6th (or such larger amount as is necessary) of the next six-months' interest installment to become due on the then Outstanding Bonds.

All amounts on deposit in the Sinking Fund constitute a trust fund, and have been, shall be and are earmarked and pledged for the security and source of payment of the Prior Bonds, the Series 2010 A Bonds, the Series 2010 B Bonds and any future Parity Bonds.

Money deposited in the Sinking Fund are used to pay the principal of and interest on the Series 2010 A Bonds, and the Issuer reasonably expects that there will be no other funds (other than the Reserve Account described in (d) below) that will be so used. The Sinking Fund is a fund that is used primarily to achieve a proper matching of revenues and debt service within each bond year.

Money deposited in the Sinking Fund is expected to be used within thirteen (13) months from the date of deposit for the payment of debt service on the Bonds, and the Sinking Fund will be depleted annually through such application for debt service requirements of the Series 2010 A Bonds, except for a reasonable carryover amount which will not exceed an amount equal to the greater of (a) one year's earnings on such funds or (b) a sum equal to one-twelfth (1/12) of the annual debt service of the Series 2010 A Bonds.

(e) Reserve Account. A Reserve Account is created under the 2010 Bond Ordinance for the Series 2010 A Bonds in an aggregate amount equal to the lesser of (i) 10% of the original principal amount of the Series 2010 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2010 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2010 A Bonds (the "Reserve Account Requirement"). The monies in the Reserve Account will be invested without restriction as to yield. All earnings on amounts deposited in the Reserve Accounts will, to the extent the yield thereon exceeds the yield on the Series 2010 A Bonds, be subject to rebate.

(f) Renewal and Replacement Fund. A Renewal and Replacement Fund is created, or continued, under the 2010 Bond Ordinance, to be funded through monthly deposits of Revenues in an amount equal to 2 1/2% of the Gross Revenues of the System. Absent an Event of Default on the Series 2010 A Bonds, and depletion in full of the Reserve Account, the Renewal and Replacement Fund is not expected to be used for the purpose of paying Debt Service on the Series 2010 A Bonds. Such monies will be invested without restriction as to yield and are not subject to rebate.

(g) Redemption Account. A Redemption Account for the Series 2010 A Bonds is created under the 2010 Bond Ordinance. In the event monies are deposited into the Redemption Account, to the extent they are not part of a Bona Fide Debt Service Fund, they will, to the extent the yield thereon exceeds the yield on the Series 2010 A Bonds, be subject to rebate. Otherwise, they will be invested without restriction as to yield and are not subject to rebate.

(h) Rebate Fund. The Issuer has covenanted not to use moneys on deposit in any fund or account in connection with the Series 2010 A Bonds in a manner which will cause the Series 2010 A Bonds to be arbitrage bonds within the meaning of Section 148 of the Code. To that end, the Rebate Fund is hereby established and will be funded to the extent required either from transfers from the other proceeds or from the Issuer's general funds. The Issuer shall deposit into the Rebate Fund any payments

received in accordance with this Tax Certificate and Agreement for purposes of paying rebate to the United States Treasury and so identified. The amount required to be held in the Rebate Fund at any point in time will be determined pursuant to the requirements of the Code, including particularly Code Section 148(f), and the Regulations. Moneys in the Rebate Fund are neither pledged to nor expected to be used to pay debt service on the Series 2010 A Bonds.

(i) No Other Sinking or Pledge Fund. Other than the Sinking Fund, and other than the Reserve Account, there are no other funds or accounts of the Issuer established or ratified and continued pursuant to the 2010 Bond Ordinance, or otherwise, which are reasonably expected to be used to pay debt service on the Series 2010 A Bonds or which are pledged as collateral for the Series 2010 A Bonds and for which there is a reasonable assurance that amounts therein or the investment income earned from such funds or accounts will be available to pay debt service on the Series 2010 A Bonds if the Issuer encounters financial difficulties.

Section 2.6 No Replacement. Other than proceeds of the Series 2010 A Bonds, neither the Issuer nor any person related to it within the meaning of Section 147(a) of the Code (a *"Related Person"*) has on hand any funds which could legally and practically be used for the purposes for which the Series 2010 A Bonds are being issued which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the proceeds of the Series 2010 A Bonds will be used (i) directly or indirectly to replace funds of the Issuer or any Related Person that could be used for the purpose for which the Series 2010 A Bonds are being issued, or (ii) to replace any proceeds of any prior issuance of obligations by the Issuer or any Related Person.

Section 2.7 No Other Sinking or Pledged Funds. Except for the Sinking Fund and the Revenue Fund, no other funds or accounts have been or are expected to be established, and no moneys or property have been or are expected to be available or pledged (no matter where held or the source thereof) which are expected to be used or available to pay, directly or indirectly, principal or interest on the Series 2010 A Bonds, or restricted so as to give reasonable assurance of their availability for such purposes.

Section 2.8 No Abusive Arbitrage Device. The Issuer certifies, warrants and covenants that the Series 2010 A Bonds are not and will not be part of a transaction or series of transactions that (i) attempts to circumvent the provisions of Section 148 of the Code and related Treasury Regulations, thereby enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage, and (ii) overburdens the tax-exempt bond market in any manner, including, without limitation, issuing more bonds, issuing bonds earlier, or allowing them to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purpose of the Series 2010 A Bonds.

Section 2.09 Other Replacement Proceeds. The weighted average maturity (19.177 years) of the Series 2010 A Bonds is less than 120% of the average reasonably expected economic life of the Project, as determined under Section 147(b) of the Code. Thus, pursuant to Section 1.148-1(c)(4) of the Regulations, "other replacement proceeds" will not arise with respect to the Series 2010 A Bonds.

ARTICLE III

CALCULATION OF YIELD

Section 3.1 Yield. For purposes of this Tax Certificate and Agreement, yield is calculated as set forth in Section 148(h) of the Code and Sections 1.148-4 and 1.148-5 of the Treasury Regulations. Thus, yield generally means that discount rate which, when used in computing the present value of all unconditionally payable payments of principal and interest with respect to an obligation and the cost of qualified guarantees (if any) paid and to be paid with respect to such obligation, produces an amount equal to the issue price of the obligation. Sections 54AA, 1400U-2 and 6431 of the Code provide that the yield on a recovery zone economic development bond shall be calculated by reducing the yield by the 45 percent (45%) credit allowed under such sections. For purposes of the Certificate, the "yield" on the Series 2010 A Bonds is being computed by reducing the yield by such credit payable to the Issuer or its designee (i.e., 45% of the interest payable on the Series 2010 A Bonds).

The Issuer certifies, based upon representations of the Underwriter, that the aggregate reoffering price of the Series 2010 A Bonds is $8,161,345.50, which represents the price at which the Series 2010 A Bonds were sold to the public (excluding bond houses, brokers and other intermediaries). For purposes hereof, yield shall be calculated on a 360-day year basis with interest compounded semiannually. The yield on the Series 2010 A Bonds on an aggregate basis as computed by Crews & Associates, Inc., the underwriter of the Series 2010 A Bonds, is at least 4.5715129%.

ARTICLE IV

REBATE

Section 4.1 Undertakings. The Issuer has covenanted to comply with certain requirements of the Code. The Issuer covenants that it shall retain an arbitrage consultant to determine any rebate or yield reduction payments required to be made with respect to the Series 2010 A Bonds. The Issuer acknowledges that the United States Department of the Treasury has issued Treasury Regulations with respect to these undertakings, including the proper method for computing whether any rebate amount is due the United States under Section 148(f) of the Code (i.e., Sections 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Treasury Regulations). The Issuer covenants that it will undertake to determine (or have determined on its behalf) what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will undertake to comply with any requirements that may be applicable to the Series 2010 A Bonds. The Issuer will undertake the methodology described in this Article IV of this Tax Certificate and Agreement, except to the extent inconsistent with any requirements of present or future law, regulations or future guidance issued by the United States Department of the Treasury or if the Issuer receives an opinion of Bond Counsel.

Section 4.2 Rebate Fund. A special fund designated the *"Rebate Fund"* has been established pursuant to this Tax Certificate and Agreement. The Issuer shall keep the Rebate Fund separate and apart from all other funds and moneys held by it.

Section 4.3 Recordkeeping. Detailed records with respect to each and every Nonpurpose Investment attributable to Gross Proceeds (within the meaning of Section 1.148-1(b) of the Treasury Regulations) of the Series 2010 A Bonds must be maintained by the Issuer, including (i) purchase date,

(ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) periodicity of interest payments, (vii) disposition price, (viii) any accrued interest received, (ix) disposition date, and (x) broker's fees. Such detailed record keeping is required for the calculation of the rebate amount (within the meaning of Section 1.148-3 of the Treasury Regulations) which, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the yield on the Series 2010 A Bonds.

Section 4.4 Rebate Amount Calculation and Payment.

(a) The Issuer represents, warrants and covenants that it will prepare or cause to be prepared a calculation of the rebate amount with respect to the Series 2010 A Bonds consistent with the rules described in this Section 4.4. The Issuer will prepare the calculation of the rebate amount (i) within fifty-five (55) days after the close of the fifth Bond Year and each fifth Bond Year thereafter so long as any Series 2010 A Bonds remain unpaid, and (ii) within fifty-five (55) days after the first date on which there are no unpaid Series 2010 A Bonds. Not later than fifty-five (55) days after the end of the fifth Bond Year and each fifth Bond Year thereafter so long as any 2010 Bond remains unpaid, and within fifty-five (55) days after the last 2010 Bond is paid, the Issuer shall deposit an amount necessary to increase or decrease the sum held in the Rebate Fund to the rebate amount.

(b) For purposes of calculating the rebate amount (i) the aggregate amount earned with respect to a Nonpurpose Investment shall be determined by assuming that the Nonpurpose Investment was acquired for an amount equal to its value at the time it becomes a Nonpurpose Investment, and (ii) the aggregate amount earned with respect to any Nonpurpose Investment shall include any unrealized gain or loss with respect to the Nonpurpose Investment on the first date when there are no unpaid Series 2010 A Bonds or when the investment ceases to be a Nonpurpose Investment.

(c) The Issuer shall pay to the United States Department of the Treasury, pursuant to instructions from the Issuer, out of designated funds (i) not later than sixty (60) days after the end of each fifth Bond Year, a payment equal to at least ninety percent (90%) of the rebate amount with respect to the Series 2010 A Bonds, calculated as of the end of such fifth Bond Year, and (ii) not later than sixty (60) days after the first date when there are no unpaid Series 2010 A Bonds, an amount equal to one hundred percent (100%) of the rebate amount (determined as of the first date when there are no unpaid Series 2010 A Bonds) plus any actual or imputed earnings on such rebate amount, all as set forth in Sections 1.148-1 through 1.148-11 of the Treasury Regulations and as determined by or on behalf of the Issuer.

(d) Each payment required to be made pursuant hereto and relating to the Series 2010 A Bonds shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, on or before the date such payment is due and shall be accompanied by Internal Revenue Service Form 8038-T. The Issuer must retain records of the calculations required by this Section 4.4 until six (6) years after the retirement of the last obligation of the Series 2010 A Bonds.

Section 4.5 Segregation of Proceeds. In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer hereby agrees to establish separate funds, accounts or subaccounts or take other accounting measures in order to account fully for all Gross Proceeds.

Section 4.6 Filing Requirements. The Issuer shall file or cause to be filed such reports or other documents with the Internal Revenue Service as may be required by the Code from time to time (e.g., Form 8038-B and Form 8038-T).

Section 4.7 Two Year Expenditure Exception. The Issuer expects to meet the two year spending exception to the arbitrage rebate requirement provided in Section 1.148-7(e) with respect to the proceeds of the Series 2010 A Bonds allocable to the Project. The Issuer expects that at least 75 percent of the available construction proceeds (defined in Section 1.148-7(i) of the Regulations) will be allocated to construction expenditures (as defined in Section 1.148-7(g) of the Regulations) for property owned by the Issuer. The Issuer expects to receive investment earnings on the Series 2010 A Bonds' sale proceeds and will include these investment earnings in the proceeds allocable to the Project. For the purposes of satisfying the provisions of Sections 1.148-7(e) through (i) of the Regulations that apply based on the Issuer's reasonable expectations, the Issuer elects to apply all of those provisions based on the actual facts.

In order to qualify for the exception from arbitrage rebate requirements pursuant to Section 1.148-7(e), such proceeds (and investment proceeds thereon) must be expended in accordance with the following schedule measured from the date of issuance of the Series 2010 A Bonds:

(i) at least 10% within six months (the first spending period);

(ii) at least 45% within 12 months (the second spending period);

(iii) at least 75% with 18 months (the third spending period); and

(iv) 100% within 24 months (the final spending period)

Although the Issuer expects to qualify for the two year spending exception to rebate, the Issuer is not electing the penalty in lieu of arbitrage rebate (as contained in Section 1.148-7(k) of the Regulations) and, in the event the Series 2010 A Bonds do not qualify for the two year spending exception, the Issuer agrees to comply with the rebate requirement contained in Section 148 of the Code.

ARTICLE V

RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS

Section 5.1 Recovery Zone Economic Development Bond Covenants. The Issuer represents and covenants that the costs of issuance of the Series 2010 A (hereinafter referred to as the "Costs of Issuance") will not exceed two percent (2%) of the proceeds of the Series 2010 A Bonds. For purposes of this Certificate, "Available Project Proceeds" means the sale proceeds of the Series 2010 A Bonds plus investment earnings thereon minus the Costs of Issuance. The Issuer represents and covenants that one hundred percent (100%) of the Available Project Proceeds will be used by the Issuer and the City for expenditures for one or more "qualified economic development purposes" (as defined in Section 1400U-2(c) of the Code).

Section 5.2 Build America Bond Election. Pursuant to Section 54AA of the Code, the Issuer hereby makes an irrevocable election to designate the Series 2010 A Bonds as Build America Bonds in order that it may further be able to designate the Series 2010 A Bonds as recovery zone economic development bonds.

Section 5.3 Recovery Zone Economic Development Bond Election. Pursuant to Section 1400U-2 of the Code, the Issuer hereby makes an irrevocable election to designate the Series 2010 A Bonds as recovery zone economic development bonds so as to receive the credit of forty-five percent (45%) of the interest payable with respect to the Series 2010 A Bonds in accordance with Sections 6431 and 1400U-2 of the Code. The principal amount of the Series 2010 A Bonds is not in excess of the recovery zone economic development bond limitation allocated to the Issuer by the West Virginia Economic Development Authority under Section 1400U-1 of the Code. The Issuer understands that the receipt of the credit as of each interest payment date is conditioned on the Series 2010 A Bonds' continued compliance with the requirements of Sections 54AA, 1400U-2 and 6431 of the Code (and any pronouncements promulgated thereunder).

Section 5.4 Recovery Zone Economic Development Bond Representations. In accordance with the Issuer's election in the preceding paragraph, the Issuer understands and represents: (a) that the interest on the Series 2010 A Bonds will be included in the gross income of the owners of the Series 2010 A Bonds for federal income tax purposes; and (b) that the Offering Price of each of the Series 2010 A Bonds did not exceed the stated principal amount of each of the Series 2010 A Bonds by more than 0.25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for the Series 2010 A Bonds of that maturity. Additionally, the Issuer covenants to comply with the Davis-Bacon labor standards and the Davis-Bacon contract clauses stated in 29 CFR 5.5(a)(1) through (10) will be incorporated into contracts for with respect to the expenditure of proceeds of the Series 2010 A Bonds. The Issuer designates the entire City as a recovery zone for purposes of Section 1400U-1 through 1400U-3 of the Code and find that the City has significant poverty, unemployment and general financial distress. The Project will be located within the boundaries of the City or with respect to property located within the City. The Issuer represents that the Project will be located within the area properly designated as a "recovery zone" as defined in Section 1400U-1 of the Code.

ARTICLE VI

OTHER MATTERS

Section 6.1 Authority. The undersigned is an authorized representative of the Issuer and is acting for and on behalf of the Issuer in executing this Tax Certificate and Agreement. To the best of the knowledge and belief of the undersigned representative of the Issuer, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

Section 6.2 Post Issuance Compliance. As shown on Exhibit B attached hereto, the Issuer has established written procedures to ensure that all nonqualified bonds of the Series 2010 A Bonds are remediated in accordance with the requirements under Section 1.141-12 of the Regulations and to monitor the requirements of Section 148 of the Code.

Section 6.3 Amendment and Supplementation.

(a) Notwithstanding any other provision herein, the parties hereby agree to amend, supplement or modify this Tax Certificate and Agreement to the extent necessary to maintain the status of the Series 2010 A Bonds as recovery zone economic development bonds for federal tax purposes as required pursuant to an opinion of Bond Counsel.

(b) Notwithstanding any other provision herein, if the parties request an amendment, supplementation or modification hereto, this Tax Certificate and Agreement shall be so amended, supplemented or modified only if accompanied by an opinion of Bond Counsel.

Section 6.4 Severability. If any provision of this Tax Certificate and Agreement (including all accompanying certificates) shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 6.5 Multiple Counterparts. This Tax Certificate and Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 6.6 Survival of Defeasance. Notwithstanding anything in this Tax Certificate and Agreement or any other provisions of the 2010 Bond Ordinance to the contrary, the obligation to remit the rebate amount to the United States Department of the Treasury and to comply with all other requirements contained in this Tax Certificate and Agreement shall survive the defeasance or payment in full of the Series 2010 A Bonds.

Section 6.7 Permitted Changes; Opinion of Bond Counsel. The yield restrictions contained in Section 2.4 or any other restriction or covenant contained herein need not be observed or may be changed if the Issuer receives an opinion of Bond Counsel to the effect that such noncompliance or change will not adversely affect the status of the Series 2010 A Bonds as recovery zone economic development bonds for federal income tax purposes.

Section 6.8 Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Certificate and Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer.

Section 6.9 Headings. The headings of this Tax Certificate and Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Certificate and Agreement.

[Remainder of Page Intentionally Blank]

WITNESS my signature the day and year first written above.

CITY OF ST. ALBANS

By: _____
Its: Mayor

08.17.10
858350.00006

5443903

EXHIBIT A

FORECASTED USAGE OF BOND PROCEEDS

Period Ending	Principal Invested	Investment Rate	Interest Earned	Less Requisitions	Ending Balance
Inception	$8,161,345.50	0.01%	$816.13	$1,301,345.00	$6,860,816.63
1/31/2011	$6,860,816.63	0.01%	$686.08	$504,500.00	$6,357,002.72
2/28/2011	$6,357,002.72	0.01%	$635.70	$489,500.00	$5,868,138.42
3/31/2011	$5,868,138.42	0.01%	$586.81	$487,000.00	$5,381,725.23
4/30/2011	$5,381,725.23	0.01%	$538.17	$474,500.00	$4,907,763.40
5/31/2011	$4,907,763.40	0.01%	$490.78	$474,500.00	$4,433,754.18
6/30/2011	$4,433,754.18	0.01%	$443.38	$474,500.00	$3,959,697.55
7/31/2011	$3,959,697.55	0.01%	$395.97	$474,500.00	$3,485,593.52
8/31/2011	$3,485,593.52	0.01%	$348.56	$559,500.00	$2,926,442.08
9/30/2011	$2,926,442.08	0.01%	$292.64	$559,500.00	$2,367,234.73
10/31/2011	$2,367,234.73	0.01%	$236.72	$559,500.00	$1,807,971.45
11/30/2011	$1,807,971.45	0.01%	$180.80	$559,500.00	$1,248,652.25
12/31/2011	$1,248,652.25	0.01%	$124.87	$365,000.00	$883,777.11
1/31/2012	$883,777.11	0.01%	$88.38	$349,211.00	$534,654.49
2/28/2012	$534,654.49	0.01%	$53.47	$105,000.00	$429,707.96
3/31/2012	$429,707.96	0.01%	$42.97	$85,000.00	$344,750.93
4/30/2012	$344,750.93	0.01%	$34.48	$90,000.00	$254,785.40
5/31/2012	$254,785.40	0.01%	$25.48	$44,537.00	$210,273.88
6/30/2012	$210,273.88	0.01%	$21.03	$40,000.00	$170,294.91
7/31/2012	$170,294.91	0.01%	$17.03	$40,000.00	$130,311.94
8/31/2012	$130,311.94	0.01%	$13.03	$40,000.00	$90,324.97
9/30/2012	$90,324.97	0.01%	$9.03	$40,000.00	$50,334.00
10/31/2012	$50,334.00	0.01%	$5.03	$30,000.00	$20,339.04
11/30/2012	$20,339.04	0.01%	$2.03	$20,341.07	$(0.00)

Interest Rate Assumed to be Earned on Investments: 0.01%

	Interest	Cumulative
Interest Earned 1st 6 Months	$3,753.68	$3,753.68
Interest Earned 2nd 6 Months	$1,898.07	$5,651.75
Interest Earned 3rd 6 Months	$369.63	$6,021.38
Interest Earned 4th 6 Months	$67.19	$6,088.57

Recovery Zone Economic Development Bonds Policy

BACKGROUND.

1. General. Recovery Zone Economic Development Bonds ("RZEDBs") were created by the American Recovery and Reinvestment Act of 2009 as an alternative to tax-exempt governmental bonds. The RZEDBs referred to herein are tax-advantaged bonds issued as described in Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code"). Issuers of RZEDBs may receive a refundable credit payment equal to a percentage of the interest payable on such bonds on each interest payment date. The tax-advantaged status of RZEDBs remains throughout the life of the RZEDBs if all applicable federal tax laws are satisfied while the RZEDBs are outstanding.

2. Unique Requirements. RZEDBs have special requirements that must be followed, in addition to other requirements under the Code and the Treasury Regulations (the "Regulations") which apply generally to tax-exempt governmental bonds, including specifically:

   - *De Minimis Premium Rule.* The issue price of RZEDBs must not have more than a de minimis amount (determined under rules similar to the rules of Section 1273(a)(3)) of premium over the stated principal amount of the bond.

   - *2% Costs of Issuance Limitation.* Costs of issuance financed by the issue must not exceed 2% of the proceeds of sale.

   - *Correct Calculation of "Available Project Proceeds".* The term "Available Project Proceeds" means sale proceeds, less not more than two percent of such proceeds used to pay bond issuance costs, plus investment proceeds thereon.

   - *Capital Expenditure Requirement.* All proceeds of RZEDBs, other than proceeds deposited in a reasonably required reserve fund, if any, or used to pay costs of issuance, must be spent on one or more "qualified economic development purposes" (as defined in Section 1400U-2(c) of the Code).

   - *Irrevocable Election.* The issuer of RZEDBs is required to make an irrevocable election to have section 54AA(g) and Section 1400U-2 of the Code apply.

   - *Correct and Timely 8038-CP Filing.* The Issuer must timely file a correctly completed Form 8038-CP in order to receive payment of the credit.

3. Continued Compliance. To comply with all applicable federal tax requirements, issuers of RZEDBs must ensure that the rules are met at the time the RZEDBs are issued and throughout the term of the RZEDBs. Generally this includes continued maintenance of records sufficient to establish compliance with all applicable federal tax requirements, including records related to periods before the RZEDBs are issued (e.g., in the case of reimbursement of prior expenditures) until three years after the final maturity date of the RZEDBs.

PURPOSE.

The City of St. Albans, West Virginia (the "City") intends to issue RZEDBs in December 2010 for the construction of improvements and extensions to the City's and may elect to issue additional RZEDBs, should the program be extended in 2011 and beyond.

These Internal Management Policies are designed to set forth procedures to ensure that City (a) applies for each interest subsidy payment with respect to the 2010 RZEDBs and any future RZEDBs in an accurate and timely manner, (b) utilizes the proceeds of the 2010 RZEDBs and any future RZEDBs in accordance with all applicable federal tax guidelines, and (c) complies with all other applicable federal guidelines with respect to the 2010 RZEDBs and any future RZEDBs.

The City will identify the officer or other employee(s) who will be responsible for each of the procedures listed below, notify the current holder of that office of the responsibilities, and provide that person a copy of these procedures. Upon employee or officer transitions, the City will advise the new personnel of their responsibilities under these procedures and ensure they understand the importance of these procedures. If employee or officer positions are restructured or eliminated, the City will reassign responsibilities as necessary to ensure that all procedures hereunder have been appropriately assigned.

PROCEDURES.

1. Issuance of RZEDBs.

   Documentation of Tax Requirements. The federal tax law requirements affecting RZEDBs will be set forth in the Tax Certificate executed in connection with each issue of RZEDBs, which is included in the closing transcript for each issue of RZEDBs.

   a. *De Minimis Premium.* In order to comply with the requirement in Section 54AA(d)(2)(C) that the issue price of a RZEDB not have more than a de minimis amount (determined under rules similar to the rules of Section 1273(a)(3)) of premium over the stated principal amount of the bond, the City should adhere to the following procedures in connection with the issuance of its RZEDBs.

      (i) First, the amount of the de minimis premium limitation with respect to each maturity of the RZEDBs to be issued (the "de minimis premium cap") will be calculated by the City's financial advisor and/or its lead underwriter in consultation with the City's Bond Counsel. The de minimis premium cap for each maturity of the RZEDBs is determined by multiplying 0.0025 (0.25%) by the number of complete years to maturity (or, in the case of term bonds subject to mandatory sinking fund redemptions, the number of complete years to the weighted average maturity of such bonds, and, if a maturity is subject to an optional par call, the number of complete years to the optional par call date).

      (ii) Second, the City's Bond Counsel shall advise the Financial Advisor and/or the lead underwriter of the RZEDBs that the issue price of each maturity of the RZEDBs may not exceed the de minimis premium cap for such maturity.

(iii) Third, to establish the issue price of each maturity of the RZEDBs and to ensure that the issue price of each maturity of the RZEDBs does not exceed the de minimis premium cap, the City should obtain on or before the date of issuance of the RZEDBs an issue price certificate from the underwriter (including the successful bidder in a competitive sale of the bonds) in which the underwriter certifies, among other things, (1) that the underwriters of the RZEDBs made a bona fide public offering of the RZEDBs to the general public, (2) the price at which it (and the other underwriters) first sold for cash at least 10% of each maturity of the RZEDBs to the general public (the "Issue Price"), and (3) that each such Issue Price does not exceed the de minimis premium cap for the particular maturity.

b. *Secondary Market Trading.* The Internal Revenue Service (the "IRS") has brought special attention to the sale of Build America Bonds, which include RZEDBs, including the calculation of premium and secondary market trades relating to RZEDBs. Therefore, the City should obtain and keep in its records pricing reports and analyses relating to such topics, including any explanation or interpretation by the underwriter or Financial Advisor if trades after the sale date or secondary market trades reflect higher prices than those initially reoffered by the underwriter to the public, or those at which the purchaser (in a competitive sale) purchased from the City. The City will review publicly available records and records provided by the underwriter or Financial Advisor regarding secondary market trades that occur between the period of sale and the issue date of the City's RZEDBs. In the Bond Purchase Agreement for any RZEDBs, City should require the lead underwriter to provide the relevant secondary market trading data for the purposes identified above.

c. *2% Costs of Issuance Limitation.* Closing documents relating to the RZEDBs prepared by the City's Bond Counsel, requisitions for costs of issuance, and pricing numbers provided by the underwriter or the City's financial advisor should verify that costs of issuance financed by the issue do not exceed 2% of the proceeds of sale. The City will ensure that no more than 2% of proceeds from the issuance of RZEDBs will be used for costs of issuance.

d. *Correct Calculation of "Available Project Proceeds."* The term "Available Project Proceeds" means sale proceeds of an issue of RZEDBs, less not more than two percent of such proceeds used to pay issuance costs of the RZEDBs, plus investment proceeds thereon. The City's Bond Counsel prepares the Tax Certificate based on pricing numbers and representations by the underwriter or City's financial advisor relating to the amount of sale proceeds and issuance costs of the RZEDBs.

e. *Information Reporting.* The City will work with its Bond Counsel to ensure that Internal Revenue Service (IRS) Form 8038-B is timely filed with respect to the 2010 RZEDBs and subsequent issue of RZEDBs, including the required debt service schedule and other required schedules and attachments.

2. Application of Bond Proceeds.

   a. *Timely Expenditure of Bond Proceeds.* At the time of issuance of the RZEDBs, the City must reasonably expect to spend at least 85% of all proceeds that were expected to be used to finance improvements (which proceeds would exclude proceeds in the reserve fund or for any non-project purpose) within three years of issuance. Other limitations or adjustments may be set out in the Tax Certificate. Generally, City expects that it has incurred or within six months after bond issuance will incur an expenditure of not less than 5% of such amount of proceeds, and that completion of the project and allocations of proceeds to costs would proceed with due diligence. Meeting all these requirements allows the City to invest these project-related proceeds at an unrestricted yield for three years. See below for rebate and rebate exceptions.

      The City will monitor the appropriate capital project accounts and make certain that RZEDBs proceeds are spent in the time period required under federal tax law.

   b. *100% of Proceeds Must Be For Capital Expenditures.* All proceeds of RZEDBs, other than proceeds deposited in a reasonably required reserve fund (if any, as defined in the Tax Certificate), or used to pay costs of issuance are to be spent on qualified economic development purposes. Such amount includes earnings on the original proceeds of the RZEDBs. Qualified economic development purposes means:

      "any expenditures for purposes of promoting development or other economic activity in a recovery zone, including (1) capital expenditures paid or incurred with respect to property located in the recovery zone, (2) expenditures for public infrastructure and construction of public facilities, and (3) expenditures for job training and educational programs."

      The City will ensure that proceeds from RZEDBs, including investment earnings generated from such proceeds, will be used solely for qualified economic development purposes.

3. Investment Restrictions; Arbitrage Yield Calculation; Rebate.

   a. *Investment Restrictions.* Investment restrictions generally are set forth in the Tax Certificate. The City will monitor the investment of any RZEDB proceeds and the City will comply with yield restriction rules.

   b. *Arbitrage Yield Calculation.* The yield on the RZEDBs must be calculated net of the expected subsidy.

   c. *Rebate.* (i) The City retains an arbitrage rebate consultant to perform rebate calculations that may be required to be made from time to time with respect to the City's bonds. The City is responsible for providing the arbitrage rebate consultant with requested documents and information upon request on a prompt basis, reviewing applicable rebate reports and other calculations and generally interacting with the arbitrage rebate consultant to ensure the timely preparation of rebate reports and payment of any rebate.

(ii) Arbitrage rebate services are monitored to assure compliance with required rebate payments, if any, which need to be paid no later than the fifth year after issuance and each 5-year period thereafter through the term of the RZEDBs. A final rebate payment must be made within 60 days of the final maturity or redemption date of the issue.

(iii) The arbitrage rebate consultant is consulted to determine whether the City is meeting any spending exception. Available spending exceptions are in periods of 6 months, 18 months and two years (for construction only), with the 18-month and 2-year exception subject to six-month internal benchmarks. See the Tax Certificate or consult the rebate consultant for more details regarding the spending exceptions.

Copies of all arbitrage reports, related return filings with the IRS, copies of cancelled checks with respect to any rebate payments and information statements must be retained as described below.

(iv) The City will follow the procedures set forth in the Tax Certificate entered into with respect to any RZEDBs that relate to the compliance with the rebate requirements.

4. Federal Subsidy.

a. *Primary Responsibility.* The City will determine the primary person responsible for applying for the federal subsidy reimbursement. The City recognizes that the IRS does not guarantee that the subsidy will be received prior to the debt service payment dates on the RZEDBs.

b. *Application Process; Accurate Completion.* The City will apply for the semi-annual federal subsidy by filing the Form 8038-CP (Return for Credit Payments to Issuers of Qualified Bonds) in accordance with the applicable IRS guidelines (see http://www.irs.gov/pub/irs-pdf/i8038cp.pdf for the Instructions for Form 8038-CP). In completing the Form 8038-CP, including the determination of the amount of the requested subsidy payment, reference should be made to the Form 8038-B that was filed for the RZEDBs. The City will verify with the City's financial advisor and the bond trustee the proper determination of the amount of interest payable on each interest payment date and the proper amount of refundable credit reported on the Form 8038-CP to ensure the accurate completion thereof.

The City will elect in each Form 8038-CP that the payment of the federal subsidy be deposited directly into the RZEDBs interest subaccount as an offset to debt service.

c. *Timely Filing.* The Form 8038-CP will be submitted 90 days prior to the interest payment dates on the RZEDBs. The City acknowledges that applications must be submitted no later than 45 days prior to the interest payment dates on the RZEDBs.

The City will establish a system to remind the City of these filing dates.

d. *Record Retention.* The City will maintain copies of each Form 8038-CP that is submitted. The forms will be maintained for at least six years past the retirement of the applicable issue of RZEDBs.

In addition, copies of all relevant documents and records sufficient to support that the requirements relating to the status of the RZEDBs have been satisfied will be maintained by the City for the term of the RZEDBs plus three years, including the following documents and records:

- Bond closing transcript and other relevant documentation;
- All records of investments, investment agreements, arbitrage reports, return filings with the IRS and underlying documents;
- Construction contracts, purchase orders, invoices and payment records;
- Documents relating to costs reimbursed with bond proceeds;
- All contracts and arrangements involving private use of the bond financed assets;
- All reports relating to the allocation of bond proceeds and private use of bond financed assets; and
- Assets or portions of assets that are financed with bond proceeds.
- Records will be kept in a combination of paper and electronic form.

e. *Treatment of Subsidy.* In the annual budget, the City will treat the subsidy payment as an offset to debt service on RZEDBs issues.

POST ISSUANCE COMPLIANCE.

1. In General.

   a. The City will conduct periodic reviews of compliance with these procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be remedied through the "remedial action" regulations (Treas. Reg. 1.141 12) or the Voluntary Closing Agreement Program described in IRS Notice 2008-31 (or successor guidance).

   b. If any changes to the terms of a given RZEDBs issue are contemplated, the City will consult its Bond Counsel. Such modifications could result in a reissuance, i.e., a deemed refunding, of the RZEDBs and thereby jeopardize the ability of the City to claim the subsidy payment in respect of the RZEDBs.

2. Private Business Use.

   a. RZEDB-financed assets are limited in the amount of private business use such assets may have.

   b. The City will monitor the use of the RZEDB-financed assets to ensure that there is no more than the permitted amount of private business use described in the Tax Certificate or otherwise conveyed to the City in connection with the RZEDBs. In general, the permissible amount of private business use is no more than the lesser of (i) 10% or (ii) $15 million of the sale proceeds of an issue of RZEDBs used in any trade or business carried on by any natural person or any activity carried on by anyone other than a natural person or a state or local governmental unit. For purposes

of the above, the 10% limit shall be reduced to 5% for any non-governmental use which is either unrelated or disproportionate to the governmental use financed by the issue of RZEDBs.

c. Records are and will continue to be maintained by the City identifying the assets or portion of assets that are financed with RZEDB proceeds, the uses and the users (including terms of use and type of use).

d. In the event the use of proceeds or the financed assets are different from the covenants and representations in the Tax Certificate, the City will contact Bond Counsel to ensure that there is no adverse effect on the status of the RZEDBs and, where appropriate, will work with Bond Counsel to remedy any violations through the "remedial action" regulations (Treas. Reg. 1.141 12) or the Voluntary Closing Agreement Program described in IRS Notice 2008-31 (or successor guidance).

EFFECTIVE APPLICATION OF PROCEDURES; MODIFICATION.

The procedures set forth herein, as they may be amended from time to time, will be effective so long as the U.S. Treasury continues to provide subsidy payments on RZEDBs. The City will work with its Bond Counsel and financial advisor or to monitor changes from the IRS relating to the subsidy reimbursement process and any other guidelines applicable to RZEDBs. If and when the IRS revises the process for receiving the subsidy, the City will modify these procedures, as appropriate and responsive, to ensure continued compliance with the federal tax requirements applicable to RZEDBs.

CITY OF ST. ALBANS (WEST VIRGINIA)

Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

TAX AND NON-ARBITRAGE CERTIFICATE

The undersigned, Mayor of the City of St. Albans (the "Issuer"), on this 23rd day of December, 2010, being the official of the Issuer duly charged with the responsibility for the issuance of the $150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds"), dated December 23, 2010, hereby certifies as follows, (all capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on October 4, 2010, as supplemented by Supplemental Resolution adopted by the Issuer on December 6, 2010 (collectively, the "Bond Legislation"), pursuant to which the Series 2010 B Bonds are issued):

A. DEFINITIONS

The following words and phrases shall have the following meanings or such other meanings as may be required under the Code or the Regulations. Any capitalized word or term used herein but not defined herein shall have the meaning set forth in the Bond Legislation.

"**Bona Fide Debt Service Fund**" shall mean a fund which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding Bond Year; or

(ii) one-twelfth (1/12th) of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

"**Bond Act**" means Article 20 of Chapter 8 of the Code of West Virginia of 1931, as amended.

"**Bond Counsel**" means the law firm or firms delivering its or their approving opinion or opinions with the respect to the issuance of the Bonds and the exclusion of interest on the Bonds from gross income for the purposes of federal income taxation.

"**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, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"**Bond Yield**" means the yield of the Bonds, calculated in accordance with the provisions of Section 1.148-4 of the Regulations.

"**Code**" means the Internal Revenue Code of 1986, as amended, and all rulings and regulations promulgated thereunder.

"**Computation Date**" means each Installment Computation Date and the Final Computation Date.

"**Computation Date Credit**" means $1,000.00. Only one Computation Date Credit for each Computation Date is permitted for the Bonds.

"**Costs of Issuance**" means all costs incurred in connection with the issuance of the Bonds within the meaning of Section 147(g) of the Code. Examples of costs of issuance include (but are not limited to):

(a) underwriters' spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which a substantial number of Bonds are sold to the public);

(b) counsel fees (including Bond Counsel, Underwriters' Counsel, Issuer's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);

(c) financial advisor fees incurred in connection with the issuance of the Bonds;

(d) trustee fees and registrar fees;

(e) paying agent, disbursement agent, and certifying and authenticating agent fees related to issuance of the Bonds;

(f) accountant fees related to issuance of the Bonds;

(g) printing costs (for the Bonds and of preliminary and final offering materials); and

(h) costs incurred in connection with any required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum).

"**Date of Issue**" means December 23, 2010.

"**Discharged**" means, with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Bond after such date.

"**Fair Market Value**" of an Investment means as follows:

(a) In General. Except as specifically otherwise provided below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm's length transaction. The Fair Market Value of an Investment that is purchased directly from the United States Treasury is its purchase price.

(b) Safe Harbor for Establishing Fair Market Value for Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if -

(i) The institution makes a bona fide solicitation for a specified guaranteed investment contract and reserves at least three (3) bona fide bids from providers that have no material financial interest in the issue (e.g. as underwriters or brokers);

(ii) The institution purchases the highest yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to persons from a source of funds other than gross proceeds of tax exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected draw down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) The obligor on the governmental investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

(c) Safe Harbor for Establishing Fair Market Value for Certificates of Deposit. The Fair Market Value of a certificate of deposit is its purchase price if it has a fixed rate of interest, a fixed payment schedule, and a substantial penalty for early withdrawal and the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States; and (ii) the highest yield that is published or posted by the provider to be currently available on reasonably comparable certificates of deposit offered to the public.

"**Final Computation Date**" means the date on which the last Bond is Discharged.

"**Future Value**" means the amount determined by using the following formula:

$FV = PV(1+i)^n$

where:

FV = The future value of the nonpurpose receipt or payment at the end of the interval. Each interval ends on the last day of a compounding interval. The compounding interval is the same compounding interval used in computing the Bond Yield.

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval. The first interval begins on the date the nonpurpose receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at the beginning of the first interval may be rounded to the nearest whole dollar. The preceding sentence shall not apply to receipts and payments with respect to investments in a restricted escrow within the meaning of Section 1.148-8(g) of the Regulations.

i = The Bond Yield during the interval (expressed as a decimal) divided by the number of compounding intervals in a year.

^{n} = A fraction, the numerator of which is the length of the interval and the denominator of which is the length of a whole compounding interval.

"**Gross Proceeds**" means Proceeds and Replacement Proceeds of the Bonds within the meaning of the Regulations.

"**Installment Computation Date**" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"**Investment**" means any security, obligation, annuity contract, or investment type property as defined in section 148(b) of the Code.

"**Investment Proceeds**" means any amounts actually or constructively received from investing Proceeds of an issue of bonds.

"**IRS**" means the Internal Revenue Service.

"**Issue Price**" means $150,000 being the Issue Price of the Series 2010 B Bonds.

For the Series 2010 B Bonds, the Issue Price is the initial offering price to the public at which price a substantial amount of the Bonds is sold. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Bonds may not exceed their fair market value as of the sale date.

"**Net Sale Proceeds**" means Sale Proceeds less the amount of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) of the Code and as part of a minor portion under Section 148(e) of the Code.

"**Nonpurpose Investment**" means any Investment that is not acquired to carry out the governmental purpose of an issue.

"**Payment**" means a payment as defined in Section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a payment as defined in Section 1.148-5(b) of the Regulations for purposes of computing the Yield on an Investment.

"**Present Value**" means the amount determined by using the following formula:

$$PV = \frac{FV(1+i)^n}{(1+i)^n}$$

where i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the date as of which the Future Value is determined and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

"**Present Value of an Investment**" shall mean the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

"**Proceeds**" means any Sale Proceeds and Investment Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an Investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under Section 1.148-2(d) of the Regulations or Section 143(g) of the Code or to qualified administrative cost recoverable under Section 1.148-5(e).

"**Rebate Amount**" means, in respect of the Series 2010 Bonds, the amount determined pursuant to the Code and Regulations in accordance with section E(1) hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Series 2010 Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with section E(3) hereof to determine the Rebate Amounts.

"**Rebate Payment Date**" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the IRS. The Rebate Payment Date cannot be a date which is more than 60 days after a Computation Date.

"**Receipt**" means a receipt as defined in Section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a receipt as defined in Section 1.148-5(b) of the Regulations for purposes of computing Yield on an Investment.

"**Regulation**" or "**Regulations**" means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury that are applicable to the Series 2010 Bonds.

"**Replacement Proceeds**" means amounts that are treated as replacement proceeds of an issue of bonds under Section 1.148-1(c) of the Regulations. Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"**Sale Proceeds**" means amounts actually or constructively received from the sale of an issue of bonds (including amounts used to pay underwriter's discount and compensation and accrued interest other than pre-issuance accrued interest). Sale Proceeds also include, but are not limited to,

amounts derived from the sale of a right that is associated with a Series 2010 Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

"**Tax-Exempt Bond**" means any tax-exempt bond within the meaning of Section 103 of the Code and Section 1.150-1 of the Regulations that is not investment property within the meaning of Section 148(b)(3) of the Code.

"**Underwriter**" means Crews & Associates, Inc., Little Rock, Arkansas.

"**Universal Cap**" means the maximum value of Nonpurpose Investments which may be allocated to the Series 2010 Bonds under Section 1.148-6 of the Regulations and is determined by reference to the Value of all outstanding Series 2010 Bonds of the issue. For purposes of this determination Nonpurpose Investments include cash, Tax-Exempt Bonds (i.e., any tax-exempt bond that is not investment property under Section 148(b)(3) of the Code), qualified mortgage loans, and qualified student loans.

"**Valuation Date**" means the date on which the value of the Universal Cap and the Nonpurpose Investments allocable to the Series 2010 B Bonds thereunder must be determined under Section 1.148-6 of the Regulations. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date.

"**Value of a Bond**" means the value of a bond determined under Section 1.148-4(e) of the Regulations. Under those Regulations, value generally means:

> (a) In the case of a plain par bond (within the meaning of Section 1.148-1(b) of the Regulations), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and
>
> (b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bonds are a part as the discount factor. In determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

"**Value of an Investment**" means the value of an investment determined under Section 1.148-5(d) of the Regulations. Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of Section 1.148-1(b) of the Regulations) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of Section 1.148-1(b) of the Regulations), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

"**Yield**" or "**yield**" means the yield computed under Section 1.148-4 of the Regulations for the Bonds, and the yield computed under Section 1.148-5 of the Regulations for an Investment.

"**Yield Restricted Investments**" means any Investments which either (1) bear a yield that is no greater than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Code. I am an officer of the Issuer charged with the responsibility of issuing the Series 2010 Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

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

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of their respective obligations or that there is any disqualification thereof by the Internal Revenue Service because a certification made by it contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 23, 2010, the date on which the Series 2010 B Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Bond Legislation that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2010 B Bonds which would cause the Series 2010 B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 B Bonds) so that the interest on the Series 2010 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

6. The Series **2010 B** Bonds were sold on December 23, 2010, to the Underwriter for a purchase price of $99,768.87 (par amount of $150,000.00 less underwriter's discount of $50,231.13).

7. The Series 2010 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the following purpose: (i) to finance the costs of acquisition and construction of certain additions, betterments and improvements to the existing waterworks portion of the combined waterworks and sewerage system of the Issuer; (ii) to capitalize a portion of the interest on the Series 2010 B Bonds; and (iv) to pay certain costs of issuance and related costs.

8. The sources of proceeds of the Series 2010 B Bonds is as follows:

SOURCES	
Series 2010 B Bonds	$150,000.00
Total	$150,000.00

9. The proceeds of sale of the Bonds will be applied as follows:

USES	
Deposit to COI Fund	$90,056.37
Capitalized Interest	$9,712.50
Underwriter's Discount	$50,231.13
Total	$150,000.00

10. The Underwriter has stated, in its certificate, a copy of which is attached as EXHIBIT A - UNDERWRITER'S CERTIFICATE hereto (the "Underwriter's Certificate") that the Series 2010 B Bonds have been reoffered, and a substantial amount thereof sold, to purchasers other than bond houses, brokers or other intermediaries, at the initial offering prices not greater than the respective prices shown on the cover page of the Official Statement for the Series 2010 B Bonds.

11. The yield on the Series 2010 B Bonds, as so computed, has been determined to be 4.5011735% (the "Bond Yield"), based on a "purchase price" equal to the Issue Price for the Series 2010 B Bonds.

C. THE SERIES 2010 B BONDS

1. The principal amounts, interest rates, interest and principal payment dates, and debt service with respect to the Series 2010 B Bonds are detailed in the Series 2010 B Bonds.

2. [Reserved]

3. A Sinking Fund for the Series 2010 B Bonds is created under the Bond Legislation. Monies deposited in the Series 2010 B Sinking Fund, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Series 2010 B Bonds. The Series 2010 B Bonds all bear interest at a fixed interest rate and the average maturity of the Series 2010 B Bonds is in excess of 5 years. The Series 2010 B Sinking Fund is designed to achieve a proper matching of the Issuer's revenues and debt service on the Series 2010 B Bonds within each Bond Year. All monies held in the Series 2010 B Sinking Fund will be used to pay debt service on the Series 2010 B Bonds. The Series 2010 B Sinking Fund qualifies as a Bona Fide Debt Service Fund and all monies in the Series 2010 B Sinking Fund will be invested without restriction as to yield and are not subject to rebate.

4. [Reserved]

5. A Renewal and Replacement Fund is created, or continued, under the Bond Legislation, to be funded through monthly deposits of Revenues in an amount equal to 2 1/2% of the Gross Revenues of the System. Absent an Event of Default on the Series 2010 B Bonds, and depletion in full of the Reserve Account, the Renewal and Replacement Fund is not expected to be used for the purpose of paying Debt Service on the Series 2010 B Bonds. Such monies will be invested without restriction as to yield and are not subject to rebate.

6. A Redemption Account for the Series 2010 B Bonds is created under the Bond Legislation. In the event monies are deposited into the Redemption Account, to the extent they are not part of a Bona Fide Debt Service Fund, they will, to the extent the yield thereon exceeds the yield on the Series 2010 B Bonds, be subject to rebate. Otherwise, they will be invested without restriction as to yield and are not subject to rebate.

7. A Costs of Issuance Fund is created under the Bond Legislation to be funded from proceeds of the Series 2010 B Bonds in the amount of $90,056.37, to pay costs of issuance of the Series 2010 B Bonds. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such monies will be invested without restriction as to yield and are not subject to rebate.

8. A Construction Fund is created under the Bond Legislation to be funded only from remaining proceeds of the Series 2010 B Bonds to pay costs of the Project. All such amounts shall be fully expended within 3 years from the date hereof. Pending such disbursement, such monies will be invested without restriction as to yield and are not subject to rebate. Work with respect to the acquisition and construction of the Project will commence shortly and will proceed with due diligence to completion. Acquisition and construction of the Project is expected to be completed within 3 years. All proceeds of the Series 2010 B Bonds designated for the Project will be expended within 3 years from the date of issuance thereof. The Project will be operated solely for a public purpose as a local governmental activity of the Issuer. The Issuer expects no part of the Project financed by proceeds of the Series 2010 B Bonds will be sold or otherwise disposed of prior to the last maturity date of the Series 2010 B Bonds. None of the proceeds of the Series 2010 B Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own funds.

Except for the proceeds of the Series 2010 B Bonds designated for the Project, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Series 2010 B Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Series 2010 B Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Series 2010 B Bonds or to the governmental purpose of the Series 2010 B Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Series 2010 B Bonds were not used or to be used for that governmental purpose.

9. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Series 2010 B Bonds or which are pledged as collateral to secure repayment of Debt Service on the Series 2010

B Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Series 2010 B Bonds.

10. Accrued interest, if any, with respect to the Series 2010 B Bonds in an amount less than 6 month's interest on the Series 2010 B Bonds may be applied within one year from the date hereof toward the payment of interest first due on the Series 2010 B Bonds, as detailed in the Schedules. Pending such disbursement, such monies, if any, will be invested without restriction as to yield.

D. REBATE OF EXCESS ARBITRAGE

1. Rebate Fund; Calculation of Rebate Amount.

(a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess. Except as provided below, and as previously set forth as excepted in Sections C and D hereof, all other funds or accounts treated as containing Gross Proceeds are subject to this requirement.

(b) Pursuant to the Bond Legislation, the Issuer has created the Rebate Fund to be held by the Depository Bank. On or before 45 days following each Computation Date, an amount shall be deposited into the Rebate Fund by the Issuer so that the balance held in the Rebate Fund shall equal the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. Monies so deposited shall be derived from the Issuer's own funds.

(c) To meet the rebate requirements of Section 148(f) of the Code, the Issuer (or the Rebate Analyst described in section E(3) hereof) agrees and covenants to take the following actions:

(i) For each investment of (i) amounts held in the Reserve Accounts, and (ii) any other monies held by the Issuer which constitute Gross Proceeds, the Issuer shall record the purchase date of such investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(ii) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (iii) below, the Issuer shall compute the Yield on the Series 2010 B Bonds as required by the Code and Regulations. If any of the Series 2010 B Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek the advice of Bond Counsel or other rebate expert to recompute the Yield on the Series 2010 B Bonds as required by the Regulations.

(iii) For each Computation Date, the Issuer shall determine the amount of earnings received on all Nonpurpose Investments

described in paragraph (i) above this section E(1)(c) that are allocable to Gross Proceeds of the Series 2010 B Bonds. In addition, where Nonpurpose Investments are retained by the Bond Commission after retirement of the Series 2010 B Bonds, any unrealized gains or losses as of the date of retirement of the Series 2010 Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Nonpurpose Investments that are allocable to Gross Proceeds of the Series 2010 B Bonds, the Issuer shall consider the allocation rules set forth in the Regulations, including the rules relating to the Universal Cap. In general, the Universal Cap represents the maximum value of Nonpurpose Investments that may be allocated to an issue of bonds and is determined by reference to the Value of all the outstanding bonds of the issue.

(v) For each Computation Date, the Issuer shall calculate for each Nonpurpose Investment described in paragraph (iii) above, an amount equal to the earnings which would have been received on such Nonpurpose Investment at an interest rate equal to the Yield on the Series 2010 B Bonds as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond year shall not be taken into account.

(vii) For each Computation Date, the Issuer shall calculate the Rebate Amount (computed from the Issue Date of the Series 2010 B Bonds to each such Computation Date) by any appropriate method provided in the Code and Regulations that is applicable to the Series 2010 B Bonds, taking into account any computation credit allowed thereunder. In determining the Rebate Amount, the Issuer shall account for the amounts determined under paragraphs (iii), (iv), and (v) above.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Account, the Issuer shall immediately pay that amount, or cause that amount to be paid, into the Rebate Account.

2. Payment to United States.

(a) Installment Computation Dates. Unless the Series 2010 B Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to

the Series 2010 B Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Series 2010 B Bonds to each such Installment Computation Date).

(b) Final Computation Date. The Issuer shall pay to the United States, not later than sixty (60) days after the last outstanding Series 2010 B Bonds are paid or redeemed, one hundred percent (100%) of the Rebate Amount for the Final Computation Date (computed from the date of issuance of the Series 2010 B Bonds to the Final Computation Date).

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Internal Revenue Service Center, Ogden, Utah 84201-0027. Each payment shall be accompanied by (i) a copy of IRS Form 8038-T, and (ii) the CUSIP number for the Series 2010 B Bond with the latest maturity.

(d) Excess Balance in Rebate Fund; Excess Rebate Payments. If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Series 2010 B Bonds, such excess may be withdrawn by the Issuer from the Rebate Fund. The Issuer may direct that any overpayment of rebate may be recovered from any rebate payment previously made to the United States under any procedure that may be permitted by the Code or the Regulations.

(e) Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(i) The Issuer shall record all amounts paid to the United States pursuant to section E(2) hereof.

(ii) The Issuer shall retain records of the rebate calculations until six years after the Final Computation Date.

(iii) The Issuer shall keep and record the data described in section E(1)(c) hereof pertaining to the investment of the proceeds of the Series 2010 B Bonds until six years after the Final Computation Date.

3. Rebate Analyst.

(a) A Rebate Analyst shall be appointed to perform the rebate calculations, as required herein.

(b) The Issuer may rely conclusively upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith.

4. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper

amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Series 2010 B Bonds.

E. MISCELLANEOUS

1. The Series 2010 B Bonds are considered a single issue pursuant to Section 1.150-1(c) of the Regulation.

2. The amount designated as "Cost of Issuance" of the Series 2010 B Bonds consists only of costs which are directly related to and necessary for the issuance of the Series 2010 B Bonds.

3. The Issuer shall, on the date hereof or immediately hereafter, enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

4. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction of the Project is expected to be completed within 24 months.

5. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. The Form 8038-G attached hereto as EXHIBIT B - FORM 8038-G is, to the best of my knowledge, true and correct, and may be relied upon by Bond Counsel.

6. None of the proceeds of the Series 2010 B Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

7. The original proceeds of the Series 2010 B Bonds will not exceed the amount necessary for the purpose of the issue, except to the extent any such proceeds are required for rebate to the United States.

8. The Issuer shall use the proceeds of the Series 2010 B Bonds solely; to pay the costs of acquisition and construction of the Project; to pay eighteen (18) months of capitalized interest on the Series 2010 B; and to pay costs of issuance and related costs.

9. The Issuer shall not permit at any time or times any of the proceeds of the Series 2010 B Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2010 B Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Series 2010 B Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

10. The Series 2010 B Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

11. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Series 2010 B Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Series 2010 B Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

12. On each Valuation Date, the Issuer agrees to value the Universal Cap and the Nonpurpose Investments allocable to the Series 2010 B Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Series 2010 B Bonds as of a Valuation Date shall not be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

13. No portion of the proceeds of the Series 2010 B Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Series 2010 B Bonds.

14. In connection with the Series 2010 B Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax and Arbitrage Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Series 2010 B Bonds or any contract securing the Series 2010 B Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Series 2010 B Bonds.

15. The Series 2010 B Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

16. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Series 2010 B Bonds or which will be paid directly or indirectly from proceeds of the sale of the Series 2010 B Bonds.

17. The issuance of the Series 2010 B Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

18. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2010 B Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

19. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Series 2010 B Bonds from gross income for federal income tax purposes.

20. The Issuer has retained the right to amend the Bond Legislation authorizing the issuance of the Series 2010 B Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Series 2010 B Bonds from the gross income of the holders thereof.

21. The Issuer shall comply with all yield restrictions on Series 2010 B Bond proceeds as set forth in the Code.

22. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Series 2010 B Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 B Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Bond Legislation.

23. The Series 2010 B Bonds are a fixed yield issue. No interest or other amount payable on any of the Series 2010 B Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

24. Under Section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the issuer's expectations as of the issue date. In accordance therewith, the undersigned Mayor of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in Section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Series 2010 B Bonds.

25. Pursuant to Section 265(b)(3)(D)(ii) of the Code, the Series 2010 B Bonds shall be treated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and shall be deemed so designated as the Series 2010 B Bonds and the issue of which they are a part satisfy the requirements set forth in Section 265(b)(3)(D)(ii) of the Code.

26. 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.

27. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Series 2010 Bonds.

28. Notwithstanding any other provision hereof, any provision of this Tax and Arbitrage Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Series 2010 B Bonds from gross income of the recipients thereof for federal income tax purposes.

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

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WITNESS my signature the day and year first written above.

CITY OF ST. ALBANS

By: _____
Its: Mayor

08.18.10
858350.00006

5447551

EXHIBIT A

UNDERWRITER'S CERTIFICATE

[Included in Transcript as Document No. 22B]

EXHIBIT B

IRS FORM 8038-G

[Included in Transcript as Document No. 39]

CITY OF ST. ALBANS (WEST VIRGINIA)

City of St. Albans (West Virginia)
$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

REGISTRAR'S CERTIFICATE

United Bank, Inc., Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies this 23rd day of December, 2010 as follows, all capitalized terms used herein to have the same meanings set forth in the Bond Ordinance of the City of St. Albans (the "Issuer") enacted on October 4, 2010, as supplemented by Supplemental Parameters Resolution adopted by the Issuer on December 6, 2010 (collectively, the "Bond Legislation"):

1. The Bank is a state banking corporation duly organized, validly existing, and in good standing under the laws of the United States of America, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Bond Legislation and to serve in the capacity of Registrar under the Bond Legislation.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Bond Legislation, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Kathy Smith	Vice President	

5. There have been filed with the Bank all of the documents listed in Section 3.12 of the Bond Ordinance; the Bonds have been duly authenticated and registered to CEDE & CO. and delivered to The Depository Trust Company, New York, New York ("DTC"), and proceeds of the Bonds have been deposited as required by the Bond Legislation.

6. Attached hereto as EXHIBIT A is a correct listing of the Bond numbers, CUSIP numbers, maturity dates, principal amounts, interest rates and yields of the Bonds.

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

United Bank, Inc.

By: _____
Its: Authorized Officer

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EXHIBIT A

SERIES 2010 A BOND TERMS

CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (December 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
AR-1	12/1/2020	$1,435,000	6.750%	6.750%	787175 CB2
AR-2	12/1/2025	$1,200,000	7.750%	7.750%	787175 CC0
AR-3	12/1/2030	$1,485,000	8.000%	8.000%	787175 CD8
AR-4	12/1/2035	$1,840,000	8.250%	8.500%	787175 CE6
AR-5	12/1/2040	$2,310,000	8.500%	8.750%	787175 CF3

SERIES 2010 B BOND TERMS

CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B
(BANK QUALIFIED)

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (December 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
BR-1	12/1/2013	$150,000	4.500%	4.500%	787175 CG1

CITY OF ST. ALBANS

$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds)

UNDERWRITER'S CERTIFICATE

The undersigned Gregory B. Isaacs, Senior Managing Director of Crews & Associates, Inc. (the "Underwriter"), for and on behalf of the Underwriter, as purchaser of the above-captioned Bonds (the "Bonds"), hereby certifies this 23rd day of December, 2010 that:

(a) At least 10% of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement dated December 17, 2010, by and between the City of St. Albans (the "Issuer") and the Underwriter, at prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated December 17, 2010 relating to the Bonds. We have made a bona fide public offering of all Bonds at the public offering price.

(b) At least 10% of each maturity of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Official Statement. At the time we agreed to purchase the Bonds based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields, shown on the cover of the Official Statement.

(c) The level of funding of the Series 2010 A Bonds Reserve Account established by the Bond Legislation authorizing issuance of the Series 2010 A Bonds is reasonable and necessary because such an amount is required as a condition to marketing the Series 2010 A Bonds at the interest rates and with the maturities established for the Series 2010 A Bonds. Such amount was determined to be necessary to reduce the probability of a default on the Series 2010 A Bonds due to a temporary decrease in revenues or increase in operating expenses. The amount to be maintained in the Series 2010 A Bonds Reserve Account is equal to the lesser of (i) 10% of the original stated principal amount of the Series 2010 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2010 A Bonds.

(d) The weighted average maturity of the Series 2010 A Bonds is 19.177 years.

(e) The yield on the Series 2010 A Bonds is 4.5715129%.

(f) The net interest cost on the Series 2010 A Bonds is 4.6426555%.

20A

(g) This certificate may be relied upon by the Issuer with respect to completion of its Tax and Non-Arbitrage Certificate and IRS Form 8038-B relating to the Series 2010 A Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Series 2010 A Bonds.

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Dated the day and year first written above.

CREWS & ASSOCIATES, INC.

By: _____
Its: Senior Managing Director

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CITY OF ST. ALBANS

$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

UNDERWRITER'S CERTIFICATE

The undersigned Gregory B. Isaacs, Senior Managing Director of Crews & Associates, Inc. (the "Underwriter"), for and on behalf of the Underwriter, as purchaser of the above-captioned Bonds (the "Bonds"), hereby certifies this 23rd day of December, 2010 that:

(a) At least 10% of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement dated December 17, 2010, by and between the City of St. Albans (the "Issuer") and the Underwriter, at prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated December 17, 2010 relating to the Bonds. We have made a bona fide public offering of all Bonds at the public offering price.

(b) At least 10% of each maturity of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Official Statement. At the time we agreed to purchase the Bonds based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields, shown on the cover of the Official Statement.

(c) The level of funding of the Series 2010 B Bonds Reserve Account established by the Bond Legislation authorizing issuance of the Series 2010 B Bonds is reasonable and necessary because such an amount is required as a condition to marketing the Series 2010 B Bonds at the interest rates and with the maturities established for the Series 2010 B Bonds. Such amount was determined to be necessary to reduce the probability of a default on the Series 2010 B Bonds due to a temporary decrease in revenues or increase in operating expenses. The amount to be maintained in the Series 2010 B Bonds Reserve Account is equal to the lesser of (i) 10% of the original stated principal amount of the Series 2010 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2010 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2010 B Bonds.

(d) The weighted average maturity of the Series 2010 B Bonds is 2.406 years.

(e) The yield on the Series 2010 B Bonds is 4.5011735%.

(f) The net interest cost on the Series 2010 B Bonds is 4.5000%.

20B

(g) This certificate may be relied upon by the Issuer with respect to completion of its Tax and Non-Arbitrage Certificate and IRS Form 8038-G relating to the Series 2010 B Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Series 2010 B Bonds.

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Dated the day and year first written above.

CREWS & ASSOCIATES, INC.

By: _____
Its: Senior Managing Director

12.20.10
858350.00006

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Griffith & Associates, PLLC Accountants & Consultants

December 23, 2010

City of St. Albans (West Virginia)
Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

City of St. Albans
St. Albans, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of the City of St. Albans (the "Issuer"), enacted June 7, 2010 and the water rate ordinance enacted June 7, 2010, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the system of the Issuer (the "System"), will provide for all Operating Expenses of the System and leave a balance each year equal to at least 120% of the maximum amount required in any year for debt service on the Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds"), to be issued in the original aggregate principal amount of $8,270,000; and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (the "Series 2010 B Bonds"), to be issued in the original aggregate principal amount of $150,000 (collectively, the "Bonds") on the date hereof, and all other obligations secured by or payable from the revenues of the System on a parity with the Bonds, including the Issuer's: (i) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A, dated December 3, 2008, issued in the aggregate principal amount of $2,735,000, held by Branch Banking & Trust Company (the "Series 2008 A Bonds") (collectively, the "Prior Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, are not less than 120% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

CITY OF ST. ALBANS

Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

CERTIFICATE OF ENGINEER

On this 23rd day of December, 2010, I, Robert G. Belcher, P.E., Registered Professional Engineer, West Virginia License No. 13093, of Chapman Technical Group, Ltd., St. Albans, 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 waterworks portion of the existing public waterworks and sewerage system (the "System") of the City of St. Albans (the "Issuer") to be constructed in Kanawha County, West Virginia, which acquisition and construction are being permanently financed, in part, by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance enacted by the Issuer on October 4, 2010, as supplemented, by Supplemental Resolution duly adopted by the Issuer on December 6, 2010.

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding the Series 2010 A Bonds Reserve Account; (iii) capitalizing interest on the Series 2010 A Bonds and Series 2010 B Bonds; and (iv) paying certain costs of issuance of the Bonds and related costs.

3. To the best of our 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 all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 30 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids or will receive 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.

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

CHAPMAN TECHNICAL GROUP, LTD

(Seal)

ROBERT G. BELCHER
REGISTERED
13093
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

Robert G. Belcher, P.E.
West Virginia License No. 13093

12.21.10
858350.00006

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SCHEDULE B - PHASE II
City of St. Albans MUC
Water System Improvements Project

A. COST OF PROJECT	Total	2010 A (BAB)	2010 B
1 Construction			
a. Contract No. 1 - Distribution Work	1,945,400.00	1,945,400.00	0.00
b. Contract No. 2 - Distribution Work	1,833,361.25	1,833,361.25	0.00
c. Contract No.3 - Distribution Work	1,074,950.00	1,074,950.00	0.00
Additional Work	0.00	0.00	0.00
Contingency -10%	734,536.75	734,536.75	0.00
2 Technical Services - CTG			
a. Engineering	980,000.00	980,000.00	0.00
3 Legal & Fiscal			
a. Legal (Land/RW) - Hanna	20,000.00	20,000.00	0.00
a. Legal (PSC Filing) - Hanna	20,000.00	20,000.00	0.00
c. Accounting (Rule 42) - Griffith	20,000.00	20,000.00	0.00
4 Right of Way Acquisition - Nunes	37,500.00	37,500.00	0.00
5 Project Contingency	284,252.00	284,252.00	0.00
6 Total to Projet Fund (Lines 1 through 5)	6,950,000.00	6,950,000.00	0.00
B. COST OF FINANCING			
7 Capitalized Interest	529,506.63	519,794.13	9,712.50
Rounding	56.37	0.00	56.37
8 Funded Reserve	531,282.00	531,282.00	0.00
9 Bond Counsel/ UC Counsel	90,000.00	0.00	90,000.00
10 Underwriter Discount	210,500.00	160,268.87	50,231.13
11 Total Cost of Financing (lines 7 through 10)	1,361,345.00	1,211,345.00	150,000.00
12 TOTAL PROJECT COST (line 6 plus line 11)	8,311,345.00	8,161,345.00	150,000.00
C. SOURCES OF FUNDS			
13 Federal Grants:	0.00	0.00	0.00
14 State/Other Grants	0.00	0.00	0.00
15 TOTAL GRANTS	0.00	0.00	0.00
16 Size of Bond Issue (line 12 minus line 15)	8,311,345.00	8,161,345.00	150,000.00

City of St. Albans — December 23, 2010 Date

Chapman Technical Group — December 23, 2010 Date

OFFICIAL STATEMENT

$__,___,000*
CITY OF ST. ALBANS (WEST VIRGINIA)
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)
AND
$__,___,000*
CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 B (BANK QUALIFIED)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning the City of St. Albans, West Virginia (the "City"), the City's combined waterworks and sewerage system hereinafter described and the City's $__,___,000 in aggregate principal amount of Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds") and the City's $__,___,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds" and, together with the Series 2010 A Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 20 of the Code of West Virginia of 1931, as amended (the "Act"), and an ordinance enacted by the Council of the City on October 4, 2010 (the "Original Ordinance"), as supplemented and amended by a supplemental parameters resolution adopted by the Council of the City on December 6, 2010, pursuant to the Original Ordinance (the "Supplemental Parameters Resolution" and together with the Original Ordinance, the "Ordinance").

The proceeds of the Series 2010 Bonds, together with other funds available therefor, will be used as follows: (i) to construct improvements and extensions to the water portion of the City's combined waterworks and sewerage system; (ii) to provide funds in the amount of $___,___.__, to be deposited in the Series 2010 Bonds Reserve Account, which will equal the maximum annual debt service on the Series 2010 Bonds; and (iii) to pay certain costs of issuance of the Series 2010 Bonds and related costs.

The Series 2010 Bonds are payable from and secured by the Net Revenues, as defined in the Ordinance, derived from the existing combined waterworks and sewerage system of the City and any extensions, improvements or betterments thereto (the "System") on a parity with the Prior Bonds, as hereinafter defined, and any Additional Bonds that may hereafter be issued by the City as permitted by the Ordinance, and the Series 2010 Bonds are also payable from funds on deposit in

*Preliminary, subject to change.

the respective Series 2010 Bonds Sinking Funds and the Reserve Accounts therein. The Series 2010 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Series 2010 Bonds or premium, if any, or the interest thereon except from such Net Revenues and such funds on deposit.

Pursuant to the Ordinance and the ordinances enacted with respect to the Prior Bonds outstanding payable from the Net Revenues (the "Prior Ordinances"), the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the issuance of the Series 2010 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by the Series 2010 Bonds: (i) will not be less than 120% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, as hereinafter defined, so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 2000 A Bonds are no longer outstanding and amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 Bonds Reserve Accounts and any Reserve Accounts for obligations on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, and (ii) will not be less than 120% of the maximum debt service in any succeeding year on the Series 2010 Bonds and the Prior Bonds. See "ADDITIONAL SECURITY FOR THE SERIES 2010 BONDS - Rate Covenant."

The Series 2010 Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described on the cover page and under the heading "THE SERIES 2010 BONDS" herein. The Series 2010 Bonds initially will be maintained under a book-entry system. So long as the Series 2010 Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2010 Bonds shall be determined as described under the "BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry system is discontinued, principal of, interest, and premium, if any, on the Series 2010 Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2010 BONDS" herein.

The City intends to elect to treat the Series 2010 A Bonds as "recovery zone economic development bonds" for purposes of the American Recovery and Reinvestment Tax Act of 2009 and to receive a cash subsidy from the United States Treasury in connection therewith. See "DESIGNATION OF SERIES 2010 A BONDS AS RECOVERY ZONE BONDS" herein.

For a description of the tax treatment of the Series 2010 Bonds, see "TAX MATTERS" herein.

The City may issue additional bonds on a parity with the Series 2010 Bonds and the Prior Lien Bonds for the purpose of financing the cost of the construction or acquisition of additions, improvements and betterments to the System and/or refunding one or more or all series of bonds subject, in each case, to certain tests and conditions provided for by the Ordinance. See "ADDITIONAL SECURITY FOR THE SERIES 2010 BONDS - Additional Parity Bonds."

The Series 2010 Bonds are offered when, as and if issued and received on behalf of the underwriter appearing on the cover page hereof (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of the legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. H. Wyatt Hanna, III, South Charleston, West Virginia, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

Brief descriptions of the Series 2010 Bonds, the System, the City and certain provisions of the Ordinance and the Act, as defined in the Ordinance and hereinbefore, are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2010 Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City or, during the period of offering the Series 2010 Bonds, from the Underwriter.

FINANCING PLAN

The Series 2010 Bonds are being issued for the primary purpose of funding the design, acquisition and construction of certain additions, betterments and improvements to the City's existing municipal waterworks system.

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Estimated Sources and Uses of Funds*

Sources of Funds:	
Principal Amount of Series 2010 A Bonds	$__,___,000.00
Principal Amount of Series 2010 B Bonds	__,___,000.00
[Less: Original Issue Discount]	(__,___.00)
Total Sources	$__,___,___.__
Uses of Funds:	
Deposit to the Series 2010 Bonds Construction Fund	$__,___,___.__
Deposit to the Series 2010 Bonds Reserve Account	___,___.__
Underwriter's Discount	__,___.00
Deposit to the Series 2010 Bonds Costs of Issuance Fund (1)	___,___.__
Total Uses	$__,___,___.__

(1) Includes legal and registrar fees and other miscellaneous expenses relating to the issuance of the Series 2010 Bonds.

*Preliminary, subject to change.

THE SERIES 2010 BONDS

General

The Series 2010 Bonds shall be dated as of the date provided in a Supplemental Resolution and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2010 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2010 Bonds shall be in default, Series 2010 Bonds issued in exchange for Series 2010 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2010 Bonds surrendered. The Series 2010 Bonds will bear interest from their date, payable semiannually on each June 1 and December 1, commencing June 1, 2011, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Series 2010 Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. The Series 2010 Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2010 Bonds and payments of principal or redemption price of and interest on the Series 2010 Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, interest on the Series 2010 Bonds will be payable by check or draft made payable and mailed to the owners thereof

at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2010 Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

So long as the Series 2010 Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2010 Bonds will be made as described herein under "BOOK--ENTRY ONLY SYSTEM." If the book-entry system is discontinued, ownership of any Series 2010 Bond may be transferred upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2010 Bond, there will be issued another Series 2010 Bond or Series 2010 Bonds, at the option of the transferee, of the same aggregate principal amount, series, maturity and interest rate as said Series 2010 Bond. For every exchange or transfer of Series 2010 Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The party requesting such transfer shall pay any service charge of the Registrar and any applicable tax or other governmental charge.

DESIGNATION OF SERIES 2010 A BONDS AS RECOVERY ZONE BONDS

General Description

The City will designate the Series 2010 A Bonds as Recovery Zone Economic Development Series 2010 A Bonds in accordance with the Internal Revenue Code of 1986, as amended (the "Code"). Sections 1400U-1 and 1400U-2 of the Code permit state and local governments such as the City to elect (and the City will elect) to receive a subsidy payment (a "Recovery Zone Economic Development Payment") from the United States Treasury (the "Treasury") in accordance with Section 6431 of the Code equal to 45% of the interest payable on the Series 2010 A Bonds. Subsidy payments are expected to be paid to the City within 45 days of receipt by the Internal Revenue Service (the "IRS") of IRS Form 8038-CP with respect to each relevant interest payment date. **PAYMENTS TO BE RECEIVED BY THE CITY FROM THE TREASURY IN ACCORDANCE WITH SECTION 6431 OF THE CODE WILL NOT COMPRISE A PORTION OF THE SECURITY FOR THE SERIES 2010 A BONDS. PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THE SERIES 2010 A BONDS IS NOT CONTINGENT UPON RECEIPT BY THE CITY OF SUCH FUNDS.** The Code imposes requirements on the Series 2010 A Bonds that the City must continue to meet after the Series 2010 A Bonds are executed and delivered in order to receive the subsidy payment from the Treasury. These requirements generally involve the way that proceeds of the Series 2010 A Bonds must be invested and ultimately used. No assurance can be given that any future legislation or clarifications or amendments to the Code, if enacted, will not contain a proposal that could reduce or eliminate the subsidy payment received by the City under Section 6431 of the Code with respect to the Series 2010 A Bonds or adversely affect the market price or marketability of the Series 2010 A Bonds.

REDEMPTION

Optional Redemption

The Series 2010 Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 20__, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 Bonds shall be called for optional redemption, the particular maturities of the Series 2010 Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

Mandatory Redemption

The Series 2010 Bonds maturing December 1, 20__, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 20__, and on each December 1 thereafter to and including December 1, 20__, in annual principal amounts as follows:

Year	Amount

The principal amount of Series 2010 Bonds maturing December 1, 20__, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

Extraordinary Optional Redemption of Series 2010 A Bonds

The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the

Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

Mandatory Redemption of Series 2010 B Bonds in the Event of a Determination of Taxability

The Series 2010 B Bonds shall be subject to mandatory redemption prior to maturity by the City, as a whole and not in part, on the earliest practicable date for which notice can be given following the occurrence of a Determination of Taxability, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.

Notice of Redemption

So long as the Series 2010 Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2010 Bonds shall be given as described below under "BOOK-ENTRY ONLY SYSTEM." At any other time, notice to the registered owner of any redemption shall be given by the Registrar not less than 30 nor more than 60 days prior to the date fixed for redemption by registered or certified mail at the address appearing in the Register. Failure to receive such notice or any defect in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2010 Bonds; and failure to mail such notice shall not affect the validity of any such proceedings for any Series 2010 Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor having been deposited with the Paying Agent, the Series 2010 Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriter believe to be reliable, but neither the City nor the Underwriter takes any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2010 Bond will be issued for each maturity, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency"

registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and www.dtc.org.

3. Purchases of the Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2010 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

4. To facilitate subsequent transfers, all the Series 2010 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2010 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of the Series

2010 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2010 Bonds documents. For example, Beneficial Owners of the Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bondholders as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2010 Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Series 2010 Bonds are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2010 Bonds will be printed and delivered to DTC.

ADDITIONAL SECURITY FOR THE SERIES 2010 BONDS

The Series 2010 Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2010 Bonds except from said sources.

Outstanding Bonds

The City has outstanding the following bonds payable from the Net Revenues of the System that are on parity with the Series 2010 Bonds: The City's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, dated April 1, 2000, originally issued in the aggregate principal amount of $2,500,000, of which $4__,000 is currently outstanding (the "Series 2000 A Bonds"), the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B, dated March 15, 2000, originally issued in the aggregate principal amount of $16,281,000, of which $1_,___,___ is currently outstanding (the "Series 2000 B Bonds"), the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C, dated March 15, 2000, originally issued in the aggregate principal amount of $225,000, of which $1__,___ is currently outstanding (the "Series 2000 C Bonds"), and the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A, dated December 3, 2008, originally issued in the aggregate principal amount of $2,735,000, of which $2,69_,___ is currently outstanding (the "Series 2008 A Bonds", and, together with the Series 2000 A Bonds, the Series 2000 B Bonds and the Series 2000 C Bonds, collectively, the "Prior Bonds").

Sources of Payment

The payment of the debt service on the Series 2010 Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Revenues derived from the System, on parity with the Prior Bonds, and any additional parity bonds that may hereafter be issued by the City as permitted by the Ordinance, and the Series 2010 Bonds are also payable from the funds on deposit in the Series 2010 Bonds Sinking Fund and the Reserve Account therein. Net Revenues derived from the System in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and to make the payments into the Series 2010 Bonds Sinking Fund and all other payments provided for in the Ordinance, and the funds in the Series 2010 Bonds Sinking Fund and the Reserve Account therein are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Series 2010 Bonds as the same become due and for the other purposes provided in the Ordinance.

Rate Covenant

Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates

and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 2000 A Bonds are no longer outstanding and amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 Bonds Reserve Accounts and any Reserve Accounts for obligations on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds.

The City further 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 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.

Series 2010 Bonds Reserve Account

$___,___ of proceeds of the Series 2010 Bonds will be deposited in the respective Series 2010 Bonds Reserve Accounts, which will equal the maximum annual debt service on the Series 2010 Bonds (the "Series 2010 Bonds Reserve Requirement" or the "Series 2010 Bonds Reserve Requirement").

In the event of a transfer from the Series 2010 Bonds Reserve Account to the Series 2010 Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 2010 Bonds Reserve Account in an amount up to the Series 2010 Bonds Reserve Requirement, and the City shall replenish the Series 2010 Bonds Reserve Account with the first Net Revenues available after all required payments have been made in full in the order set forth in the Ordinance.

Application of Revenues

All Gross Revenues are to be deposited in the Revenue Fund established with United Bank, Inc., St. Albans, West Virginia, as the depository bank (the "Depository Bank"), for disposition in the following order of priority; **first**, pay from the Revenue Fund current Operating Expenses of the System; **second**, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Sinking Funds for payment of interest on the Prior Bonds; and (ii)

beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2010 Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2010 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2010 Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2010 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2010 Bonds deposited therein, if any, and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2010 Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2010 Bonds Sinking Fund; **third**, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Sinking Funds for payment of principal on the Prior Bonds; and (ii) for deposit in the Series 2010 Bonds Sinking Fund (and in the Series 2010 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2010 Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2010 Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2010 Bonds on the next ensuing principal payment or mandatory Redemption Date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2010 Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2010 Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; **fourth**, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Reserve Accounts for the Prior Bonds; and (ii) for deposit in the Series 2010 Bonds Reserve Account, an amount equal to the Series 2010 Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 Bonds Reserve Requirement; provided further, that if the amounts in the Series 2010 Bonds Reserve Account, as a result of a decrease in value of the Series 2010 Bonds Reserve Account below the Series 2010 Bonds Reserve Account Requirement or any withdrawal from the Series 2010 Bonds Reserve Account, the City shall apply such monies for deposit into the Series 2010 Bonds Reserve Act, beginning with the first full calendar month following the date on which the valuation of investments in the Series 2010 Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2010 Bonds Reserve Account is less than the Series 2010 Bonds Reserve Requirement. Amounts in

the Series 2010 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2010 Bonds when due, when amounts in the Series 2010 Bonds Sinking Fund are insufficient therefor and for no other purpose; **fifth**, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII of the Ordinance. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency 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; and **sixth**, whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues ("Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

Enforcement of Collections

The City covenants in the Ordinance to diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals and other charges that shall become delinquent to the full extent permitted or authorized by the Act, or otherwise by the laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to applicable State law and regulations, and under such reasonable rules and regulations as may be prescribed by the City, discontinue water services to all delinquent users, until such delinquent amounts, plus reasonable interest and penalty charges thereon, have been fully paid. (See "THE SYSTEM - Customer Statistics.")

Additional Parity Bonds

The Ordinance provides that so long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, as defined in the Ordinance, payable out of the Revenues of the System shall be issued after the issuance of any bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided.

No such additional parity bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto or the

Prior Bonds, to pay claims which may exist against the revenues or facilities of the System, or all of such purposes.

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by an Independent Accountant, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such additional parity bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance of such additional parity bonds, so long as any of the Series 2000 A Bonds are outstanding, shall be not less than 120% of the Maximum Annual Debt Service, and thereafter, 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 Series 2010 Bonds then Outstanding;

(2) The Prior Bonds Outstanding;

(3) Any additional parity bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(4) 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 additional parity bonds and any increase in rates enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such additional parity bonds, and shall not exceed the amount to be stated in a certificate of the Independent Accountant, which shall be filed in the office of the Recorder prior to the issuance of such additional parity bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Accountant, as stated in a certificate on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such additional parity bonds. Not later than simultaneously with the delivery of such additional parity bonds, the City shall have entered into written contracts for the immediate design, construction or acquisition of such additions, extensions, betterments or improvements, if any, to the System which are to be financed by such additional parity bonds.

The term "Additional Parity Bonds," as used herein, shall be deemed to mean additional bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 2010 Bonds and the Prior Bonds, and all the

covenants and other provisions of the Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2010 Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with the Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any bond over any other. The City shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for bonds theretofore issued pursuant to the Ordinance. No Additional Parity Bonds shall be valid unless authenticated pursuant to Section 3.03 of the Ordinance. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by Section 3.12 of the Ordinance with respect to the Series 2010 Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity bonds.

The term "Additional Parity Bonds," as used herein, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Revenues of the System of which is subject to the prior and superior lien of the bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2) and (3) of the Ordinance have first been paid. The City shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues, with the Series 2010 Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund) and the Prior Bonds, and any other payments provided for in the Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the City shall then be in full compliance with all the covenants, agreements and terms in the Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance. The City may issue Additional Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Series 2010 Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Series 2010 Bonds which are not refunded shall not be greater in any year in which the Series 2010 Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Series 2010 Bonds to be refunded were not so refunded and provided further, that the final maturity of such Additional Parity Bonds does not exceed that of the refunded bonds.

PROJECT AND SYSTEM BACKGROUND

The Project

The project will improve the overall reliability of the City's entire waterworks system by providing additional tank storage, improved core distribution network, increased water treatment production capacity and improved treatment production reliability. The project consists of _____.

Water Usage

Annual Usage History by Source - City of St. Albans

Year Ended June 30	Residential Gallons	Commercial Gallons	Industrial Gallons	Resale Gallons	Total
2009					
2008					
2007					
2006					
2005					

Daily Consumption History by Source (MGD)- City of St. Albans

Year Ended June 30	Residential Gallons	Commercial Gallons	Industrial Gallons	Resale Gallons	Total
2009					
2008					
2007					
2006					
2005					

Customer History

Customer Count by Type - City of St. Albans

Year Ended June 30	Residential	Commercial	Resale	Industrial	Total
2009					
2008					
2007					
2006					
2005					

Major Users

Customer	7/1/08 to 6/30/09 Consumption (gallons)	Revenue

Water Source

The City currently uses the following _____ sources for its supply:

Source	Gallons/day	Pumping Method

(To be provided)

Wholesale Contracts

(To be provided)

Certain Officers and Personnel

Five (5) people are employed in the Water Department. None of the City employees are union members. The City considers its historical and current relationship with employees assigned to the system to be good.

Rates

The current schedule of rates and charges has been in place since November 21, 2005. The Council passed an ordinance modifying the previously prevailing schedule of rates and charges on May 18, 2005, which rates were further modified by the West Virginia Public Service Commission in Case No. 05-0882-W-MA. The following table sets forth the current rates and

charges. Tier One went into effect on November 21, 2005. Tier Two rates will go into effect when the project is substantially complete.

WATER SCHEDULE NO. 1

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

EFFECTIVE FOR SERVICE RENDERED FROM JULY 22, 2010 THROUGH MAY 31, 2011

RATES (Customers with metered water supply)

First	2,000	gallons used per month	$9.60 per 1,000 gallons
Next	3,000	gallons used per month	$6.00 per 1,000 gallons
Next	5,000	gallons used per month	$6.00 per 1,000 gallons
Next	20,000	gallons used per month	$6.00 per 1,000 gallons
Next	70,000	gallons used per month	$6.00 per 1,000 gallons
All Over	100,000	gallons used per month	$5.40 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $19.20 per month which is equivalent to 2,000 gallons of water used or:

			Equivalent Gallons
5/8	inch meter	$ 19.20	per month 2,000
3/4	inch meter	$ 28.80	per month 3,600
1	inch meter	$ 48.00	per month 6,800
1 1/4	inch meter	$ 70.10	per month 10,800
1 1/2	inch meter	$ 96.00	per month 14,800
2	inch meter	$ 153.60	per month 24,400
3	inch meter	$ 307.20	per month 46,800
4	inch meter	$ 480.00	per month 78,800
6	inch meter	$ 960.00	per month 165,333
8	inch meter	$1,536.00	per month 272,000

UNMETERED/UNMEASURED RATE $34.20 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COST

An amount not to exceed $5.40 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

EFFECTIVE FOR SERVICE RENDERED FROM JUNE 1, 2011 THROUGH APRIL 30, 2012

RATES (Customers with metered water supply)

First	2,000	gallons used per month	$10.00 per 1,000 gallons
Next	3,000	gallons used per month	$6.25 per 1,000 gallons
Next	5,000	gallons used per month	$6.25 per 1,000 gallons
Next	20,000	gallons used per month	$6.25 per 1,000 gallons
Next	70,000	gallons used per month	$6.25 per 1,000 gallons
All Over	100,000	gallons used per month	$5.65 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.00 per month which is equivalent to 2,000 gallons or:

			Equivalent Gallons
5/8	inch meter	$ 20.00	per month 2,000
3/4	inch meter	$ 30.00	per month 3,600
1	inch meter	$ 50.00	per month 6,800
1 1/4	inch meter	$ 73.00	per month 10,800
1 1/2	inch meter	$ 100.00	per month 14,800
2	inch meter	$ 160.00	per month 24,400
3	inch meter	$ 300.00	per month 46,800
4	inch meter	$ 500.00	per month 78,800
6	inch meter	$1,000.00	per month 165,044
8	inch meter	$1,600.00	per month 271,239

UNMETERED/UNMEASURED RATE $35.63 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COST

An amount not to exceed $5.65 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

EFFECTIVE FOR SERVICE RENDERED ON AND AFTER MAY 1, 2012

RATES (Customers with metered water supply)

First	2,000	gallons used per month	$10.30 per 1,000 gallons
Next	3,000	gallons used per month	$ 6.45 per 1,000 gallons
Next	5,000	gallons used per month	$ 6.45 per 1,000 gallons
Next	20,000	gallons used per month	$ 6.45 per 1,000 gallons
Next	70,000	gallons used per month	$ 6.45 per 1,000 gallons
All Over	100,000	gallons used per month	$ 5.85 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.60 per month which is equivalent to 2,000 gallons or:

			Equivalent Gallons
5/8	inch meter	$ 20.60	per month 2,000
3/4	inch meter	$ 30.90	per month 3,597
1	inch meter	$ 51.50	per month 6,791
1 1/4	inch meter	$ 75.20	per month 10,465
1 1/2	inch meter	$ 103.00	per month 14,775
2	inch meter	$ 164.80	per month 24,357
3	inch meter	$ 309.00	per month 46,713
4	inch meter	$ 515.00	per month 78,651
6	inch meter	$1,030.00	per month 164,496
8	inch meter	$1,648.00	per month 270,137

UNMETERED/UNMEASURED RATE $36.73 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge $30.00 have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COST

An amount not to exceed $5.85 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

WATER SCHEDULE NO. 2

FIRE PROTECTION RATES

APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

AVAILABILITY OF SERVICE

Available for private fire protection service in entire territory served by the Municipal Utility Commission of the City of St. Albans.

RATES

An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge.

2 inch	$72.00
3 inch	$144.00
4 inch	$288.00
6 inch	$720.00
8 inch	$1,200.00
10 inch	$2,400.00
12 inch	$3,000.00

The tariffs, rates, joint rates, tolls and schedules of municipality utilities are not subject to the general authority of the West Virginia Public Service Commission (the "PSC") to enforce,

originate, establish, change and promulgate rates and charges. However, such rates and charges shall be just, reasonable, applied without unjust discrimination or preference, and based primarily on the costs of providing such services. Municipal utility rates and charges shall become effective not sooner than forty-five (45) days after adoption. Notice of intent to effect a rate change shall be specified on the monthly bill sent to the customers. Such rates and charges shall be filed with the PSC, together with such information showing the basis of such rates and charges and such other information as the PSC considers necessary.

The PSC shall review and approve or modify such rates upon the filing of a petition, within thirty (30) days of the adoption of the ordinance changing said rates or charges, (1) by any customer aggrieved by the changed rates or charges, who presents to the PSC a petition signed by not less than twenty-five percent (25%) of the customers served by a municipal utility or (2) by any customer or group of customers who presents a petition alleging discrimination between said customer or group of customers and other customers of the municipal utility, accompanied by evidence of discrimination. Upon the filing of a petition or sufficient showing of discrimination, the PSC shall suspend the adoption of the rate change contained in the ordinance for a period of one hundred twenty (120) days from the date said rates or charges would otherwise go into effect or until an order approving, disapproving or modifying the rate change is issued.

The PSC shall have general supervision of all municipal utilities. The PSC may ascertain the quality and quantity of water and shall have power to order such improvements as will best promote the public interests.

Billing and Collections

The City renders a monthly bill to commercial and other high volume customers of the System. Residential customers are billed once every three months. Payments are due 20 days after the billing date. If a bill remains unpaid beyond the due date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the mailing of termination notices and termination of service 30 days after the initial due date. Service on a delinquent account remains terminated until payment of the account is made. A reconnection charge of $25.00 is required to reinstate a previously delinquent account.

The City has a policy of writing off accounts determined to be uncollectible.

Deferred payment plans are available for any residential customer who can demonstrate inability to pay a System bill in full and that service termination would be dangerous to such customer's health or safety.

System Budget and Expenditures

The Department Heads prepare draft budgets for System operations within their respective departments. The City budget is compiled from these draft budgets and submitted to the Council on or before March 10th of each year. The budget is required by Charter to indicate operating expenditures and capital expenditures proposed for the ensuing fiscal year, detailed by

office, department and agency in terms of their respective work programs, and the method of financing such expenditures. The total of proposed expenditures may not exceed the total estimated income. Prior to March 28th of each year, but following a public hearing, City Council is required to adopt the budget. Supplemental appropriations, or a reduction of appropriations, may be made by Council upon certification by the Mayor of an excess or insufficiency of revenues.

No payment may be made except in accordance with appropriations set forth in the budget. As a matter of practice, the Department Heads approve purchase orders and payments are approved by the Council prior to disbursement of funds. Separate accounting records are kept by the Water Department.

Method of Accounting

The City maintains its accounts pertaining to the system on an accrual basis and in accordance with the guidelines of the West Virginia Public Service Commission. The records of the City for the fiscal years ended June 30 of each of the past three years have been audited and are available for public inspection at the City.

Summary of Historical Revenues and Expenses

Summary Statement of Income and Expense
(Fiscal Year Ended June 30)

Retirement System

The City is a member of the Public Employees Retirement System of the State of West Virginia. The City contributes __._% of covered employees' gross wages. Employee contributions are _._% of their wages.

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ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each fiscal year the amounts payable from Revenues as principal of and interest on the Series 2010 Bonds and the Prior Bonds.

BOND ORDINANCE

See APPENDIX C – FORM OF BOND ORDINANCE, for the Bond Ordinance enacted by the City on October 4, 2010. The Ordinance includes, inter alia, a description of the intended uses of the proceeds of the Series 2010 Bonds, the System's application of revenues and flow of funds, general covenants imposed upon the City and the System as a result of the issuance of the Series 2010 Bonds and defaults and remedies associated with the issuance of the Series 2010 Bonds.

TAX MATTERS

Series 2010 A Bonds

Disclaimer. **Any discussion of the tax issues relating to the Series 2010 A Bonds in this Official Statement was written to support the promotion or marketing of the Series 2010 A Bonds. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice with respect to the Series 2010 A Bonds based on its particular circumstances from an independent tax advisor.**

General. The Series 2010 A Bonds will be issued as taxable "recovery zone economic development bonds" authorized by Section 6431 of the Code. Pursuant to Section 6431 of the Code, the City expects to receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the Bonds. See "DESIGNATION OF THE SERIES 2010 A BONDS AS RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS" herein for more information regarding the treatment of the Bonds as "recovery zone economic development bonds."

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2010 A Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such bonds as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. Potential purchasers of the Series 2010 A Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2010 A Bonds.

Interest on the Series 2010 A Bonds is not excluded from gross income for federal income tax purposes and so will be fully subject to federal income taxation. Purchasers other than those who purchase Series 2010 A Bonds in the initial offering at their stated principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such bonds. In general, interest paid on the Series 2010 A Bonds, accrual of original issue discount and market discount, if any, will be treated as ordinary income to

an owner of Series 2010 A Bonds and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Original Issue Discount. The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2010 A Bonds issued with original issue discount ("Series 2010 A Discount Bonds"). A Series 2010 A Bond will be treated as having original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price at which a substantial amount of the Series 2010 A Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2010 A Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity.

A Series 2010 A Discount Bond's "stated redemption price at maturity" is the total of all payments provided by the Series 2010 A Discount Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includible in income by the initial holder of a Series 2010 A Discount Bond is the sum of the "daily portions" of original issue discount with respect to such Series 2010 A Discount Bond for each day during the taxable year in which such holder held such Series 2010 A Discount Bond. The daily portion of original issue discount on any Series 2010 A Discount Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Series 2010 A Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Series 2010 A Discount Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Series 2010 A Discount Bond at the beginning of any accrual period is the sum of the issue price of the Series 2010 A Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Series 2010 A Discount Bond that were not qualified stated interest payments. Under these rules, holders will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Series 2010 A Discount Bond by

using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount. Any owner who purchases a Series 2010 A Bond at a price which includes market discount in excess of a prescribed de minimis amount (*i.e.*, at a purchase price that is less than its adjusted issue price in the hands of an original owner) will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2010 A Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An owner who acquires a Series 2010 A Bond at a market discount also may be required to defer, until the maturity date of such Series 2010 A Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2010 A Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Series 2010 A Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2010 A Bond for the days during the taxable year on which the owner held the Series 2010 A Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2010 A Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondowner elects to include such market discount in income currently as described above.

Bond Premium. A purchaser who purchases a Series 2010 A Bond at a cost greater than its then principal amount (or, in the case of a Series 2010 A Bond issued with original issue premium, at a price in excess of its adjusted issue price) will have amortizable bond premium. If the holder elects to amortize the premium under Section 171 of the Code (which election will apply to all bonds held by the holder on the first day of the taxable year to which the election applies, and to all bonds thereafter acquired by the holder), such a purchaser must amortize the premium using constant yield principles based on the purchaser's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable

bond premium that is applied to reduce interest payments. Purchasers of any Series 2010 A Bonds who acquire such Series 2010 A Bonds at a premium (or with acquisition premium) should consult with their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2010 A Bonds.

Sale or Redemption of Series 2010 A Bonds. A bondowner's tax basis for a Series 2010 A Bond is the price such owner pays for the Series 2010 A Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified stated interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2010 A Bond, measured by the difference between the amount realized and the basis of the Series 2010 A Bond as so adjusted, will generally give rise to capital gain or loss if the Series 2010 A Bond is held as a capital asset (except as discussed above under "Market Discount"). The legal defeasance of Series 2010 A Bonds may result in a deemed sale or exchange of such Series 2010 A Bonds under certain circumstances; owners of such Series 2010 A Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

Backup Withholding. A bondowner may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding obligation is 28%, but the rate may change in the future) with respect to interest or original issue discount on the Series 2010 A Bonds. This withholding generally applies if the owner of a Series 2010 A Bond (a) fails to furnish the trustee or other payor with its taxpayer identification number, (b) furnishes the trustee or other payor an incorrect taxpayer identification number, (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the trustee or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Series 2010 A Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

Backup withholding is not an additional tax. Any amount paid as backup withholding would be credited against the bondholder's U.S. federal income tax liability, provided that the requisite information is timely provided to the IRS. The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series 2010 A Bonds will be reported to the bondowners and to the Internal Revenue Service.

Nonresident Bondowners. Under the Code, interest and original issue discount income with respect to Series 2010 A Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons ("Nonresidents") generally will not be subject to the United States withholding tax (or backup withholding) if the City (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Series 2010 A Bond is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a

Nonresident bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA. The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2010 A Bonds.

The opinions of Bond Counsel are not intended or written by Bond Counsel to be used and cannot be used by an owner of the Series 2010 A Bonds for the purpose of avoiding penalties that may be imposed on the owner of the Series 2010 A Bonds. The opinions of Bond Counsel are provided to support the promotion or marketing of the Series 2010 A Bonds. In all events, all investors should consult their own tax advisors in determining the Federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the Series 2010 A Bonds.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, and court decision, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2010 B Bonds under Federal or state law or affect the receipt of the cash subsidy payments on the Series 2010 A Bonds and could affect the market price or marketability of the Series 2010 B and the Series 2010 A Bonds.

West Virginia Taxes. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Series 2010 A Bonds and the interest thereon are exempt from direct taxation by the State of West Virginia or any county, municipality, political subdivision, or agency thereof.

Series 2010 B Bonds

Tax-Exemption. In the opinion of Bond Counsel for the Series 2010 B Bonds, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming continued compliance of the City with certain covenants designed to meet the requirements of Section 103 of the Code, interest on the Series 2010 B Bonds is excludable from gross income for Federal income tax purposes. Bond Counsel for the Series 2010 B Bonds is also of the opinion that interest on the Series 2010 B Bonds is not a specific item of tax preference under Section 57 of the Code for purposes of the Federal individual or corporate alternative minimum taxes.

A copy of the opinion of Bond Counsel for the Series 2010 B Bonds is set forth in Appendix D, attached hereto.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Series 2010 B Bonds. The City has covenanted to comply with certain restrictions designed to ensure that interest on the related issues of Series 2010 B Bonds will not be includable in gross

income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Series 2010 B Bonds being includable in income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Series 2010 B Bonds. The opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2010 B Bonds may adversely affect the tax status of the interest on the Series 2010 B Bonds.

Certain requirements and procedures contained or referred to in the Series 2010 B Bond documents and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series 2010 B Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Series 2010 B Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Steptoe & Johnson PLLC.

Although Bond Counsel for the Series 2010 B Bonds is of the opinion that interest on the Series 2010 B Bonds will be excludable from gross income for Federal and West Virginia income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2010 B Bonds may otherwise affect a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the bondholder or the bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each bondholder or potential bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing the Series 2010 B Bonds on the tax liabilities of the individual or entity.

Bank Qualification. The City has designated the Series 2010 B Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

Original Issue Premium. "Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Series 2010 B Bonds that mature December 1, 20__ and December 1, 20__ (collectively, the "Premium Bonds") are being initially offered and sold to the public at an Acquisition Premium. The Premium Bonds are not callable prior to their maturity date. For federal income tax purposes, the amount of Acquisition Premium on each bond the interest on which is excludible from gross income for federal income tax purposes ("tax-exempt bonds") must be amortized and will reduce the bondholder's adjusted basis in that bond. However, no amount of amortized Acquisition Premium on tax-exempt bonds may be deducted in determining bondholder's taxable income for federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds, or on any of the Series 2010 B Bonds, that must be amortized during any period will be based on the "constant yield" method, using the original bondholder's basis in such bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Holders of any Series 2010 B Bonds, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such

Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Original Issue Discount. The Series 2010 B Bonds maturing December 1, 20__ and December 1, 20__ (the "Series 2010 B Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of the bond, and for the Series 2010 B Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Series 2010 B Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns the Series 2010 B Discount Bond is added to such purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Series 2010 B Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

Holders of Series 2010 B Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Series 2010 B Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

West Virginia Taxes. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Series 2010 B Bonds and the interest thereon are exempt from direct taxation by the State of West Virginia or any county, municipality, political subdivision, or agency thereof.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2010 Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. H. Wyatt Hanna, III, South Charleston, West Virginia, Counsel for the City, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as Counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the

validity of the Series 2010 Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2010 Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2010 Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2010 BONDS - General."

UNDERWRITING

The Series 2010 Bonds are being purchased by the Underwriter named on the cover of this Official Statement. The Purchase Contract provides that the Underwriter will purchase all the Series 2010 Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof, less an Underwriter's discount of $_____.00. The obligation to make such purchase is subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The Underwriter may change the initial public offering prices from time to time. The Underwriter may offer and sell Series 2010 Bonds to certain dealers (including dealers depositing Series 2010 Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

FINANCIAL STATEMENTS

Included herein as Appendix B are the general purpose financial statements and the combined and individual fund and account group financial statements of the City (which include the System) as of and for the twelve-month period ended June 30, 2009, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2009, dated December 3, 2009, prepared by Griffith & Associates, PLLC, Alum Creek, West Virginia.

CONTINUING DISCLOSURE

The City is the obligated party with respect to the Series 2010 Bonds and will provide the continuing disclosure described below. The City has covenanted to provide, in accordance with the Continuing Disclosure Agreement, which shall be delivered in substantially the form attached hereto as APPENDIX E, certain financial information and operating data (the "Annual Information") not later than one hundred eighty (180) days following the end of its fiscal year, commencing with the report for the fiscal year ended June 30, 2010 (which is due no later than December 31, 2010), and to provide notice of the occurrence of the enumerated events listed therein, if material. The Annual Information and each notice of material events will be filed electronically by the City with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c2-12 promulgated by the SEC. The City has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2010 Bonds.

Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX E – CONTINUING DISCLOSURE AGREEMENT."

The City has complied with all continuing disclosure obligations applicable to it.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2010 Bonds. The City has authorized the execution and distribution of this Official Statement.

CITY OF ST. ALBANS, WEST VIRGINIA

By: _____
Mayor

APPENDIX A

GENERAL INFORMATION REGARDING ST. ALBANS

APPENDIX B

FINANCIAL STATEMENTS

APPENDIX C

FORM OF OPINION OF BOND ORDINANCE

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is by and between the City of St. Albans (the "City") and United Bank, Inc., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $_,___,000 City of St. Albans, Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds") and $__,___,000 City of St. Albans, Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds" and, together with the Series 2010 A Bonds, the "Series 2010 Bonds". The Bonds are being issued pursuant to the Ordinance enacted by the City Council of the City on October 4, 2010 (the "Ordinance"), as supplemented and amended by a Supplemental Parameters Resolution adopted by the City Council of the City on December 6, 2010 (the "Supplemental Resolution" and together with the Original Ordinance, the "Ordinance"). The City and Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of Agreement. The Agreement is being executed and delivered by the City and Dissemination Agent for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriters in complying with SEC Rule 15c2-l2(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated December __, 2010, which apply to any capitalized term used in the Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the City, provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix C, which Annual Financial Information shall include Audited Financial Statements if available on the Report Date, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the City's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the current Mayor of the City.

"Dissemination Agent" shall initially mean United Bank, Inc. or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access System described in the 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of the Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C. the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, effective as of July 1, 2009.

"Participating Underwriter" shall mean the original underwriter of the Bonds who is required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of the Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the City's fiscal year (presently June 30) (the "Due Date"), commencing with the report for the Fiscal Year ended June 30, 2010, provide to EMMA Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of the Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of the Agreement. The City shall provide the Dissemination Agent with a copy of each report filed under the Agreement. If the City's fiscal year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5(a). The Dissemination Agent shall send written notice to the City thirty days prior to the Due Date of the Annual Financial Information and Audited Financial Statements that such information is due by the Due Date.

(b) Not later than fifteen (15) Business Days prior to the Due Date, the City shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent. If by the Due Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If the Dissemination Agent is unable to

provide to EMMA its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall file a report with the City certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to the Agreement and the date provided.

SECTION 4. Content of Annual Financial Information. Within one hundred eighty (180) days of the City's 2010 Fiscal year-end, and each subsequent fiscal year, the Dissemination Agent shall submit to EMMA information and data of the City for the prior fiscal year, including the Audited Financial Statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2010 Bonds, or other material events affecting the tax status of the security;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the City[1];

13. the consummation of a merger, consolidation or acquisition involving the City, or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Dissemination Agent within two (2) business days.

(d) If the City determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the City received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the City shall promptly file with the Dissemination Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the City determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the City shall so notify the Dissemination

[1] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA with a copy to the City. The Dissemination Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The City's obligations under the Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as Dissemination Agent. The City may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of the Agreement, the City may amend the Agreement, and any provision of the Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Agreement, the City shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in

preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in the Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by the Agreement. If the City chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by the Agreement, the City shall have no obligation under the Agreement to update such information or include it is any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the City or Dissemination Agent to comply with any provision of the Agreement (and, at the request of the Original Purchaser), the Dissemination Agent may or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent to comply with its obligations under the Agreement. A default under the Agreement shall not be deemed an Event of Default under the Ordinance, and the sole remedy under the Agreement in the event of any failure of the City or Dissemination Agent to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination. The Dissemination Agent shall have only such duties as are specifically set forth in the Agreement, and the City agrees to the extent allowed by State law to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the City:	City of St. Albans, West Virginia P.O. Box 1428 St. Albans, WV 26555
To the Dissemination Agent:	United Bank, Inc. 500 Virginia Street, East

Charleston, WV 25301

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. The Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Fees. The City agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the City.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

Date: December __, 2010

CITY OF ST. ALBANS

By: _____
Mayor

UNITED BANK, INC., as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of St. Albans (West Virginia)

Name of Issue: $_,___,000 City of St. Albans, Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) and $__,___,000 City of St. Albans, Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified)

Date of Issuance: December __, 2010

Notice is hereby given that the City has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The City anticipates that the Annual Report will be filed by _____.

Dated this _____.

CITY OF ST. ALBANS

By: _____
Its: Mayor

NEW ISSUE-BOOK ENTRY ONLY

In the opinion of Bond Counsel, based on existing law, interest on the Series 2010 A Bonds will be included in the gross income for federal income tax purposes In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2010 B Bonds (i) is excludable from gross income of the holders thereof for federal income tax purposes, (ii) will not be treated as a preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) is not included in the adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. The City has designated the Series 2010B Bonds as "qualified tax exempt obligations" for purposes of Section 265 of the Code. See "Tax Matters" herein. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2010 Bonds, and the interest thereon are exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See "TAX MATTERS" herein.

$8,270,000
CITY OF ST. ALBANS (WEST VIRGINIA)
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)
and
$150,000
CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 B (BANK QUALIFIED)

Dated: Date of Delivery — Due: December 1, as shown below

The Series 2010 A Bonds and the Series 2010 B Bonds (collectively, the "Series 2010 Bonds") are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2010 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2010 Bonds will be in book-entry form only. Semiannual interest on the Series 2010 Bonds is payable June 1, 2011, and each June 1 and December 1 thereafter. So long as the Series 2010 Bonds are maintained under a book-entry system, payments of the principal of and premium, if any, and interest on the Series 2010 Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent (the "Paying Agent"), to DTC in accordance with the Ordinance and the Supplemental Resolutions, and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2010 Bonds. See "THE SERIES 2010 BONDS - Book-Entry Only System." The Series 2010 Bonds are subject to redemption prior to maturity as described herein.

The Series 2010 Bonds are being issued, together with other funds available therefor, to: (i) construct improvements and extensions to the City's water system; (ii) provide funds in the amount of $531,282.50, to be deposited in the Series 2010 Series A Bonds Reserve Account, which will equal the maximum annual debt service (net of subsidy payments) on the Series 2010 A Bonds; (iii) pay eighteen (18) months of capitalized interest on the Series 2010 Bonds; and (iv) pay certain costs of issuance of the Series 2010 Bonds and related costs.

The Series 2010 Bonds are payable from and further secured by the Gross Revenues derived from the existing water system of the City and any extensions, improvements and betterments thereto on parity with the Prior Bonds, as hereinafter defined, and any additional parity bonds that may hereafter be issued by the City as permitted by the Ordinance, as hereinafter defined, and the Series 2010 Bonds are also payable from funds on deposit in the Series 2010 Bonds Sinking Fund and the Reserve Account therein. The Series 2010 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the principal or premium, if any, of and the interest on the Series 2010 Bonds, except from the Gross Revenues and such funds on deposit. Neither the full faith and credit nor the taxing power of the City shall be deemed to be pledged to, nor shall any tax be levied for, the payment or the principal of or the premium, if any, or interest on the Series 2010 Bonds.

The City has designated the Series 2010 B Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

$1,435,000	**6.75%**	**Series 2010 A**	**Term Bonds**	**due**	**December 1, 2020**	**at**	**100%**
$1,200,000	**7.75%**	**Series 2010 A**	**Term Bonds**	**due**	**December 1, 2025**	**at**	**100%**
$1,485,000	**8.00%**	**Series 2010 A**	**Term Bonds**	**due**	**December 1, 2030**	**at**	**100%**
$1,840,000	**8.25%**	**Series 2010 A**	**Term Bonds**	**due**	**December 1, 2035**	**at**	**97.418%**
$2,310,000	**8.50%**	**Series 2010 A**	**Term Bonds**	**due**	**December 1, 2040**	**at**	**97.353%**
$150,000	**4.50%**	**Series 2010 B**	**Term Bonds**	**due**	**December 1, 2013**	**at**	**100%**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. The Series 2010 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. H. Wyatt Hanna, III, South Charleston, West Virginia, Counsel to the City, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter. It is expected that the Series 2010 Bonds will be available for delivery in New York, New York on or about December 23, 2010.

Crews&Associates
Member First Security Bancorp

Dated: December 17, 2010

CITY OF ST. ALBANS, WEST VIRGINIA

MAYOR
Dick Callaway

VICE MAYOR & COUNCIL-at-LARGE
Helen Warren

CITY COUNCIL

John Boles, Jr. - At Large
Jerry C. Cogar - At Large
Robert J. Keiffer – Ward 1
Xris Hess – Ward
Ronald K. Colby, III – Ward 3
Cheryl Thomas – Ward 4
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This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2010 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the City of St. Albans, West Virginia, or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the City of St. Albans and other sources, which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City of St. Albans, West Virginia, as it relates to the System, since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein, and may not be reproduced or used, in whole or in part, for any other purposes.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$8,270,000
CITY OF ST. ALBANS (WEST VIRGINIA)
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)
and
$150,000
CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 B (BANK QUALIFIED)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning the City of St. Albans, West Virginia (the "City"), the City's combined waterworks and sewerage system hereinafter described and the City's $8,270,000 in aggregate principal amount of Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds") and the City's $150,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds" and, together with the Series 2010 A Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 20 of the Code of West Virginia of 1931, as amended (the "Act"), and an ordinance enacted by the Council of the City on October 4, 2010 (the "Original Ordinance"), as supplemented and amended by a supplemental parameters resolution adopted by the Council of the City on December 6, 2010, pursuant to the Original Ordinance (the "Supplemental Parameters Resolution" and together with the Original Ordinance, the "Ordinance").

The proceeds of the Series 2010 Bonds, together with other funds available therefor, will be used as follows: (i) to construct improvements and extensions to the water portion of the City's combined waterworks and sewerage system; (ii) to provide funds in the amount of $531,282.50, to be deposited in the Series 2010 Series A Bonds Reserve Account, which will equal the maximum annual debt service (net of subsidy payments) on the Series 2010 A Bonds; (iii) pay eighteen (18) months of capitalized interest on the Series 2010 Bonds; and (iv) to pay certain costs of issuance of the Series 2010 Bonds and related costs.

The Series 2010 Bonds are payable from and secured by the Net Revenues, as defined in the Ordinance, derived from the existing combined waterworks and sewerage system of the City and any extensions, improvements or betterments thereto (the "System") on a parity with the Prior Bonds, as hereinafter defined, and any Additional Bonds that may hereafter be issued by the City as permitted by the Ordinance, and the Series 2010 Bonds are also payable from funds on deposit in the respective Series 2010 Bonds Sinking Funds and the Series 2010 A Bonds Reserve Account therein. The Series 2010 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay

the Series 2010 Bonds or premium, if any, or the interest thereon except from such Net Revenues and such funds on deposit.

Pursuant to the Ordinance and the ordinances enacted with respect to the Prior Bonds outstanding payable from the Net Revenues (the "Prior Ordinances"), the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the issuance of the Series 2010 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by the Series 2010 Bonds: (i) will not be less than 120% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, as hereinafter defined, so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 2000 A Bonds are no longer outstanding and amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, and (ii) will not be less than 120% of the maximum debt service in any succeeding year on the Series 2010 Bonds and the Prior Bonds. See "ADDITIONAL SECURITY FOR THE SERIES 2010 BONDS - Rate Covenant."

The Series 2010 Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described on the cover page and under the heading "THE SERIES 2010 BONDS" herein. The Series 2010 Bonds initially will be maintained under a book-entry system. So long as the Series 2010 Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2010 Bonds shall be determined as described under the "BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry system is discontinued, principal of, interest, and premium, if any, on the Series 2010 Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2010 BONDS" herein.

The City intends to elect to treat the Series 2010 A Bonds as "recovery zone economic development bonds" for purposes of the American Recovery and Reinvestment Tax Act of 2009 and to receive a cash subsidy from the United States Treasury in connection therewith. See "DESIGNATION OF SERIES 2010 A BONDS AS RECOVERY ZONE BONDS" herein.

For a description of the tax treatment of the Series 2010 Bonds, see "TAX MATTERS" herein.

The City may issue additional bonds on a parity with the Series 2010 Bonds and the Prior Lien Bonds for the purpose of financing the cost of the construction or acquisition of additions, improvements and betterments to the System and/or refunding one or more or all series of bonds subject, in each case, to certain tests and conditions provided for by the Ordinance. See "ADDITIONAL SECURITY FOR THE SERIES 2010 BONDS - Additional Parity Bonds."

The Series 2010 Bonds are offered when, as and if issued and received on behalf of the underwriter appearing on the cover page hereof (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of the legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. H. Wyatt Hanna, III, South Charleston, West Virginia, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

Brief descriptions of the Series 2010 Bonds, the System, the City and certain provisions of the Ordinance and the Act, as defined in the Ordinance and hereinbefore, are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2010 Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City or, during the period of offering the Series 2010 Bonds, from the Underwriter.

FINANCING PLAN

The Series 2010 Bonds are being issued for the primary purpose of funding the design, acquisition and construction of certain additions, betterments and improvements to the City's existing municipal waterworks system.

Sources and Uses of Funds

Sources of Funds:	
Principal Amount of Series 2010 A Bonds	$ 8,270,000.00
Principal Amount of Series 2010 B Bonds	150,000.00
Less: Original Issue Discount	(108,654.50)
Total Sources	$ 8,311,345.50
Uses of Funds:	
Deposit to the Series 2010 Bonds Construction Fund	$ 6,950,000.00
Deposit to the Series 2010 A Bonds Reserve Account	531,282.50
Deposit to the Capitalized Interest Fund	529,506.63
Underwriter's Discount	210,500.00
Deposit to the Series 2010 Bonds Costs of Issuance Fund (1)	90,056.37
Total Uses	$ 8,311,345.50

(1) Includes legal and registrar fees and other miscellaneous expenses relating to the issuance of the Series 2010 Bonds.

THE SERIES 2010 BONDS

General

The Series 2010 Bonds shall be dated as of the date provided in a Supplemental Resolution and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2010 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2010 Bonds shall be in default, Series 2010 Bonds issued in exchange for Series 2010 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2010 Bonds surrendered. The Series 2010 Bonds will bear interest from their date, payable semiannually on each June 1 and December 1, commencing June 1, 2011, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Series 2010 Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. The Series 2010 Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2010 Bonds and payments of principal or redemption price of and interest on the Series 2010 Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, interest on the Series 2010 Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2010 Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

So long as the Series 2010 Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2010 Bonds will be made as described herein under "BOOK--ENTRY ONLY SYSTEM." If the book-entry system is discontinued, ownership of any Series 2010 Bond may be transferred upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2010 Bond, there will be issued another Series 2010 Bond or Series 2010 Bonds, at the option of the transferee, of the same aggregate principal amount, series, maturity and interest rate as said Series 2010 Bond. For every exchange or transfer of Series 2010 Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The party requesting such transfer shall pay any service charge of the Registrar and any applicable tax or other governmental charge.

DESIGNATION OF SERIES 2010 A BONDS AS RECOVERY ZONE BONDS

General Description

The City will designate the Series 2010 A Bonds as Recovery Zone Economic Development Series 2010 A Bonds in accordance with the Internal Revenue Code of 1986, as amended (the "Code"). Sections 1400U-1 and 1400U-2 of the Code permit state and local governments such as the City to elect (and the City will elect) to receive a subsidy payment (a "Recovery Zone Economic Development Payment") from the United States Treasury (the "Treasury") in accordance with Section 6431 of the Code equal to 45% of the interest payable on the Series 2010 A Bonds. Subsidy payments are expected to be paid to the City within 45 days of receipt by the Internal Revenue Service (the "IRS") of IRS Form 8038-CP with respect to each relevant interest payment date. **PAYMENTS TO BE RECEIVED BY THE CITY FROM THE TREASURY IN ACCORDANCE WITH SECTION 6431 OF THE CODE WILL NOT COMPRISE A PORTION OF THE SECURITY FOR THE SERIES 2010 A BONDS. PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THE SERIES 2010 A BONDS IS NOT CONTINGENT UPON RECEIPT BY THE CITY OF SUCH FUNDS.** The Code imposes requirements on the Series 2010 A Bonds that the City must continue to meet after the Series 2010 A Bonds are executed and delivered in order to receive the subsidy payment from the Treasury. These requirements generally involve the way that proceeds of the Series 2010 A Bonds must be invested and ultimately used. No assurance can be given that any future legislation or clarifications or amendments to the Code, if enacted, will not contain a proposal that could reduce or eliminate the subsidy payment received by the City under Section 6431 of the Code with respect to the Series 2010 A Bonds or adversely affect the market price or marketability of the Series 2010 A Bonds.

REDEMPTION

Optional Redemption

The Series 2010 A Bonds are subject to redemption at the option of the City, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2010 A Bonds shall be called for optional redemption, the particular maturities of the Series 2010 A Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Series 2010 A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2010 A Bonds to be credited with any partial redemption shall be made as described herein under "BOOK-ENTRY ONLY SYSTEM."

The Series 2010 B Bonds are non-callable.

Mandatory Redemption

The Series 2010 A Bonds maturing December 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2013, and on each December 1 thereafter to and including December 1, 2020, in annual principal amounts as follows:

Year	Amount
2013	$ 95,000
2014	170,000
2015	175,000
2016	185,000
2017	190,000
2018	200,000
2019	205,000
2020*	215,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2020, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2021, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

Year	Amount
2021	$220,000
2022	230,000
2023	240,000
2024	250,000
2025*	260,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2025, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2030, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to

the mandatory redemption date, on December 1, 2026, and on each December 1 thereafter to and including December 1, 2030, in annual principal amounts as follows:

Year	Amount
2026	$270,000
2027	285,000
2028	295,000
2029	310,000
2030*	325,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2030, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2031, and on each December 1 thereafter to and including December 1, 2035, in annual principal amounts as follows:

Year	Amount
2031	$335,000
2032	350,000
2033	370,000
2034	385,000
2035*	400,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2035, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 A Bonds maturing December 1, 2040, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 A Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2036, and on each December 1 thereafter to and including December 1, 2040, in annual principal amounts as follows:

Year	Amount
2036	$420,000
2037	440,000
2038	460,000
2039	485,000
2040*	505,000

*Denotes Final Maturity

The principal amount of Series 2010 A Bonds maturing December 1, 2040, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2010 B Bonds maturing December 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2010 B Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2012 and December 1, 2013, in annual principal amounts as follows:

Year	Amount
2012	$80,000
2013*	70,000

*Denotes Final Maturity

The principal amount of Series 2010 B Bonds maturing December 1, 2013, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2010 B Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

Extraordinary Optional Redemption of Series 2010 A Bonds

The Series 2010 A Bonds are issued as recovery zone economic development Series 2010 A Bonds (Direct Payment). The Series 2010 A Bonds are subject to extraordinary optional redemption prior to maturity at the option of the City in whole or in part at the "Extraordinary Redemption Price", as described below, upon the occurrence of an "Extraordinary Event", as defined below. The Extraordinary Redemption Price is equal to the issue price of the Series 2010 A Bonds, as described in the Tax Certificate (but not less than 100%) to be redeemed. An "Extraordinary Event" shall have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code (as such sections were added by America Recovery and Reinvestment Act, pertaining to recovery zone economic development bonds) with respect to the Series 2010 A Bonds or Section 1400U-1, Section 1400U-2 or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the Interest Subsidy Payments, as described herein under "DESIGNATION OF SERIES 2010 A BOND AS RECOVERY ZONE BONDS", pursuant to which the Interest Subsidy Payments are reduced or eliminated.

Mandatory Redemption of Series 2010 B Bonds in the Event of a Determination of Taxability

The Series 2010 B Bonds shall be subject to mandatory redemption prior to maturity by the City, as a whole and not in part, on the earliest practicable date for which notice can be given following the occurrence of a Determination of Taxability, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.

Notice of Redemption

So long as the Series 2010 Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2010 Bonds shall be given as described below under "BOOK-ENTRY ONLY SYSTEM." At any other time, notice to the registered owner of any redemption shall be given by the Registrar not less than 30 nor more than 60 days prior to the date fixed for redemption by registered or certified mail at the address appearing in the Register. Failure to receive such notice or any defect in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2010 Bonds; and failure to mail such notice shall not affect the validity of any such proceedings for any Series 2010 Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor having been deposited with the Paying Agent, the Series 2010 Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriter believe to be reliable, but neither the City nor the Underwriter takes any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2010 Bond will be issued for each maturity, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities

transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

3. Purchases of the Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2010 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

4. To facilitate subsequent transfers, all the Series 2010 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2010 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of the Series 2010 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2010 Bonds documents. For example, Beneficial Owners of the Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the

alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bondholders as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2010 Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Series 2010 Bonds are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2010 Bonds will be printed and delivered to DTC.

ADDITIONAL SECURITY FOR THE SERIES 2010 BONDS

The Series 2010 Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2010 Bonds except from said sources.

Outstanding Bonds

The City has outstanding the following bonds payable from the Net Revenues of the System that are on parity with the Series 2010 Bonds: The City's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, dated April 1, 2000, originally issued in the aggregate principal amount of $2,500,000, of which $755,000 is currently outstanding (the "Series 2000 A Bonds"), the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B, dated March 15, 2000, originally issued in the aggregate principal amount of $16,281,000, of which $10,340,602 is currently outstanding (the "Series 2000 B Bonds"), the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C, dated March 15, 2000, originally issued in the aggregate principal amount of $225,000, of which $143,400 is currently outstanding (the "Series 2000 C Bonds"), and the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A, dated December 3, 2008, originally issued in the aggregate principal amount of $2,735,000, of which $2,563,442 is currently outstanding (the "Series 2008 A Bonds", and, together with the Series 2000 A Bonds, the Series 2000 B Bonds and the Series 2000 C Bonds, collectively, the "Prior Bonds").

Sources of Payment

The payment of the debt service on the Series 2010 Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Revenues derived from the System, on parity with the Prior Bonds, and any additional parity bonds that may hereafter be issued by the City as permitted by the Ordinance, and the Series 2010 Bonds are also payable from the funds on deposit in the Series 2010 Bonds Sinking Fund and the Reserve Account therein. Net Revenues derived from the System in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and to make the payments into the Series 2010 Bonds Sinking Fund and all other payments provided for in the Ordinance, and the funds in the Series 2010 Bonds Sinking Fund and the Reserve Account therein are irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Series 2010 Bonds as the same become due and for the other purposes provided in the Ordinance.

Rate Covenant

Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of and

interest on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 2000 A Bonds are no longer outstanding and amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds.

The City further 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 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.

Series 2010 A Bonds Reserve Account

$531,282.50 of proceeds of the Series 2010 A Bonds will be deposited in the Series 2010 A Bonds Reserve Account, which will equal the maximum annual net debt service on the Series 2010 A Bonds (the "Series 2010 A Bonds Reserve Requirement").

In the event of a transfer from the Series 2010 A Bonds Reserve Account to the Series 2010 A Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 2010 A Bonds Reserve Account in an amount up to the Series 2010 A Bonds Reserve Requirement, and the City shall replenish the Series 2010 A Bonds Reserve Account with the first Net Revenues available after all required payments have been made in full in the order set forth in the Ordinance.

Application of Revenues

All Gross Revenues are to be deposited in the Revenue Fund established with United Bank, Inc., St. Albans, West Virginia, as the depository bank (the "Depository Bank"), for disposition in the following order of priority; **first**, pay from the Revenue Fund current Operating Expenses of the System; **second**, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Sinking Funds for payment of interest on the Prior Bonds; and (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2010 Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2010 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2010 Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased

proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2010 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2010 Bonds deposited therein, if any, and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2010 Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2010 Bonds Sinking Fund; **third**, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Sinking Funds for payment of principal on the Prior Bonds; and (ii) for deposit in the Series 2010 Bonds Sinking Fund (and in the Series 2010 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2010 Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2010 Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2010 Bonds on the next ensuing principal payment or mandatory Redemption Date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2010 Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2010 Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; **fourth**, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Reserve Accounts for the Prior Bonds; and (ii) for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 Bonds A Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2010 A Bonds Reserve Account, as a result of a decrease in value of the Series 2010 A Bonds Reserve Account below the Series 2010 A Bonds Reserve Account Requirement or any withdrawal from the Series 2010 A Bonds Reserve Account, the City shall apply such monies for deposit into the Series 2010 A Bonds Reserve Account, beginning with the first full calendar month following the date on which the valuation of investments in the Series 2010 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2010 A Bonds Reserve Account is less than the Series 2010 A Bonds Reserve Requirement. Amounts in the Series 2010 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2010 A Bonds when due, when amounts in the Series 2010 A Bonds Sinking Fund are insufficient therefor and for no other purpose; **fifth**, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any

Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII of the Ordinance. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency 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; and **sixth**, whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues ("Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

Enforcement of Collections

The City covenants in the Ordinance to diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals and other charges that shall become delinquent to the full extent permitted or authorized by the Act, or otherwise by the laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to applicable State law and regulations, and under such reasonable rules and regulations as may be prescribed by the City, discontinue water services to all delinquent users, until such delinquent amounts, plus reasonable interest and penalty charges thereon, have been fully paid. (See "THE SYSTEM - Customer Statistics.")

Additional Parity Bonds

The Ordinance provides that so long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, as defined in the Ordinance, payable out of the Revenues of the System shall be issued after the issuance of any bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided.

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

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by an Independent Accountant, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within

the 18 months immediately preceding the date of the actual issuance of such additional parity bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance of such additional parity bonds, so long as any of the Series 2000 A Bonds are outstanding, shall be not less than 120% of the Maximum Annual Debt Service, and thereafter, 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 Series 2010 Bonds then Outstanding;

(2) The Prior Bonds Outstanding;

(3) Any additional parity bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(4) 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 additional parity bonds and any increase in rates enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such additional parity bonds, and shall not exceed the amount to be stated in a certificate of the Independent Accountant, which shall be filed in the office of the Recorder prior to the issuance of such additional parity bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Accountant, as stated in a certificate on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such additional parity bonds. Not later than simultaneously with the delivery of such additional parity bonds, the City shall have entered into written contracts for the immediate design, construction or acquisition of such additions, extensions, betterments or improvements, if any, to the System which are to be financed by such additional parity bonds.

The term "Additional Parity Bonds," as used herein, shall be deemed to mean additional bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 2010 Bonds and the Prior Bonds, and all the covenants and other provisions of the Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2010 Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with the Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any bond over any other.

The City shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for bonds theretofore issued pursuant to the Ordinance. No Additional Parity Bonds shall be valid unless authenticated pursuant to Section 3.03 of the Ordinance. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by Section 3.12 of the Ordinance with respect to the Series 2010 Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity bonds.

The term "Additional Parity Bonds," as used herein, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Revenues of the System of which is subject to the prior and superior lien of the bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2) and (3) of the Ordinance have first been paid. The City shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues, with the Series 2010 Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund) and the Prior Bonds, and any other payments provided for in the Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the City shall then be in full compliance with all the covenants, agreements and terms in the Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance. The City may issue Additional Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Series 2010 Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Series 2010 Bonds which are not refunded shall not be greater in any year in which the Series 2010 Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Series 2010 Bonds to be refunded were not so refunded and provided further, that the final maturity of such Additional Parity Bonds does not exceed that of the refunded bonds.

PROJECT AND SYSTEM BACKGROUND

The Project

The project involves the replacement of approximately 340,000 feet of water line, with the majority of those pipes being over 80 years old (the "Project"). Of this total, nearly 120,000 feet is 2" or smaller in size. Historically, those lines require repairs on a recurring basis. The Project consists of water line replacement work throughout the City's entire waterworks system, including the replacement of approximately 50,000 feet of undersized, aged and deteriorated water mains, which will result in improved water service and increased fire protection to the City's customers.

Water Usage/Revenues by Source

Gallons Sold by Source (000 omitted)

Year Ended June 30	Residential	Commercial	Public Authorities	Fire Protection	Total Gallons
2009	253,169	29,700	9,072	0	291,941
2008	258,892	29,580	9,183	0	297,655
2007	260,470	32,690	8,237	0	301,397
2006	259,841	36,511	8,661	0	305,013
2005	266,479	33,398	10,404	0	310,281

Revenues by Source

Year Ended June 30	Residential	Commercial	Public Authorities	Fire Protection	Total
2009	1,772,888	189,766	56,681	12,446	$2,031,781
2008	1,140,571	124,132	37,614	7,337	$1,309,654
2007	1,016,223	121,017	30,367	6,425	$1,174,032
2006	1,017,909	124,689	36,381	6,421	$1,185,400
2005	1,032,667	122,298	36,473	6,524	$1,197,962

Customer History

Customer Count by Type

Year Ended June 30	Residential	Commercial	Public Authorities	Fire Protection	Total
2009	5,897	306	31	26	6,260
2008	5,932	309	32	0	6,273
2007	5,923	310	32	0	6,265
2006	5,829	316	33	27	6,205
2005	5,843	318	34	27	6,222

Major Users

Customer	7/1/08 to 6/30/09 Consumption (gallons)
Kanawha Board of Education	159,800
Local Housing Authority	85,500
Local Housing Authority	83,000
Shoney's Restaurant	83,900
Local Housing Authority	93,800
Local Housing Authority	91,600
Local Housing Authority	78,900
Toad's Car Wash	73,300
Local Housing Authority	74,100
Toad's Car Wash	74,200

Water Source

The Coal River is the sole source of water for the City of St. Albans.

Wholesale Contracts

The City does not have any wholesale contracts.

Certain Officers and Personnel

Four (4) people are employed in the Water Department. None of the City employees are union members. The City considers its historical and current relationship with employees assigned to the System to be good.

Rates

The current schedule of rates and charges has been in place since November 21, 2005. The Council passed an ordinance modifying the previously prevailing schedule of rates and charges on May 18, 2005, which rates were further modified by the West Virginia Public Service Commission in Case No. 05-0882-W-MA. The following table sets forth the current rates and charges. Tier One went into effect on November 21, 2005. Tier Two rates will go into effect when the Project is substantially complete.

WATER SCHEDULE NO. 1

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial and non-contract sale for resale water service.

EFFECTIVE FOR SERVICE RENDERED FROM JULY 22, 2010 THROUGH MAY 31, 2011

RATES (Customers with metered water supply)

First	2,000 gallons used per month	$9.60 per 1,000 gallons
Next	3,000 gallons used per month	$6.00 per 1,000 gallons
Next	5,000 gallons used per month	$6.00 per 1,000 gallons
Next	20,000 gallons used per month	$6.00 per 1,000 gallons
Next	70,000 gallons used per month	$6.00 per 1,000 gallons
All Over	100,000 gallons used per month	$5.40 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $19.20 per month which is equivalent to 2,000 gallons of water used or:

			Equivalent Gallons
5/8	inch meter	$ 19.20	per month 2,000
3/4	inch meter	$ 28.80	per month 3,600
1	inch meter	$ 48.00	per month 6,800
1 1/4	inch meter	$ 70.10	per month 10,800
1 1/2	inch meter	$ 96.00	per month 14,800
2	inch meter	$ 153.60	per month 24,400
3	inch meter	$ 307.20	per month 46,800
4	inch meter	$ 480.00	per month 78,800
6	inch meter	$ 960.00	per month 150,333
8	inch meter	$1,536.00	per month 272,000

UNMETERED/UNMEASURED RATE $34.20 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COST

An amount not to exceed $5.40 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

EFFECTIVE FOR SERVICE RENDERED FROM JUNE 1, 2011 THROUGH APRIL 30, 2012

RATES (Customers with metered water supply)

First	2,000 gallons used per month	$10.00 per 1,000 gallons
Next	3,000 gallons used per month	$6.25 per 1,000 gallons
Next	5,000 gallons used per month	$6.25 per 1,000 gallons
Next	20,000 gallons used per month	$6.25 per 1,000 gallons
Next	70,000 gallons used per month	$6.25 per 1,000 gallons
All Over	100,000 gallons used per month	$5.65 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.00 per month which is equivalent to 2,000 gallons or:

		Equivalent Gallons
5/8 inch meter	$ 20.00	per month 2,000
3/4 inch meter	$ 30.00	per month 3,600
1 inch meter	$ 50.00	per month 6,800
1 1/4 inch meter	$ 73.00	per month 10,800
1 1/2 inch meter	$ 100.00	per month 14,800
2 inch meter	$ 160.00	per month 24,400
3 inch meter	$ 300.00	per month 46,800
4 inch meter	$ 500.00	per month 78,800
6 inch meter	$1,000.00	per month 150,044
8 inch meter	$1,600.00	per month 271,239

UNMETERED/UNMEASURED RATE $35.63 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge ($30.00) have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COST

An amount not to exceed $5.65 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

EFFECTIVE FOR SERVICE RENDERED ON AND AFTER MAY 1, 2012

RATES (Customers with metered water supply)

First	2,000 gallons used per month	$10.30 per 1,000 gallons
Next	3,000 gallons used per month	$ 6.45 per 1,000 gallons
Next	5,000 gallons used per month	$ 6.45 per 1,000 gallons
Next	20,000 gallons used per month	$ 6.45 per 1,000 gallons
Next	70,000 gallons used per month	$ 6.45 per 1,000 gallons
All Over	100,000 gallons used per month	$ 5.85 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $20.60 per month which is equivalent to 2,000 gallons or:

		Equivalent Gallons
5/8 inch meter	$ 20.60	per month 2,000
3/4 inch meter	$ 30.90	per month 3,597
1 inch meter	$ 51.50	per month 6,791
1 1/4 inch meter	$ 75.20	per month 10,465
1 1/2 inch meter	$ 103.00	per month 14,775
2 inch meter	$ 164.80	per month 24,357
3 inch meter	$ 309.00	per month 46,713
4 inch meter	$ 515.00	per month 78,651
6 inch meter	$1,030.00	per month 164,496
8 inch meter	$1,648.00	per month 270,137

UNMETERED/UNMEASURED RATE $36.73 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the Municipal Utility Commission of the City of St Albans, the unmetered rate shall be charged. (Based on 4,500 gallons used per month)

CONTRACT SALES FOR RESALE

The St. Albans Municipal Utility Commission shall have the right to negotiate a resale sale via contract with final approval of the City Council.

DELAYED PAYMENT PENALTY

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

CUSTOMER DEPOSIT

In accordance with the West Virginia Code and Public Service Commission of West Virginia's Rules and Regulations.

WATER SERVICE CONNECTION CHARGE

The following charges apply whenever the utility installs a new tap to serve an applicant:

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission of West Virginia. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00, or the actual cost of the connection as determined by the Municipal Utility Commission of the City of St. Albans, in its solely discretion, whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission of West Virginia for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge $30.00 have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that Municipal Utility Commission of the City of St. Albans staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

A service charge of the greater of $25.00 or the actual bank fee will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

INCREMENTAL COST

An amount not to exceed $5.85 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Municipal Utility Commission of the City of St. Albans shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

WATER SCHEDULE NO. 2

FIRE PROTECTION RATES

APPLICABILITY

Water rates in all areas served by the Municipal Utility Commission of the City of St. Albans.

AVAILABILITY OF SERVICE

Available for private fire protection service in entire territory served by the Municipal Utility Commission of the City of St. Albans.

RATES

An applicant for private fire protection shall pay the full cost of the service line to the property line, including connection to the main. In addition, the applicant shall pay the following flat rate service charge.

2 inch	$72.00
3 inch	$144.00
4 inch	$288.00
6 inch	$720.00
8 inch	$1,200.00
10 inch	$2,400.00
12 inch	$3,000.00

The tariffs, rates, joint rates, tolls and schedules of municipality utilities are not subject to the general authority of the West Virginia Public Service Commission (the "PSC") to enforce, originate, establish, change and promulgate rates and charges. However, such rates and charges shall be just, reasonable, applied without unjust discrimination or preference, and based primarily on the costs of providing such services. Municipal utility rates and charges shall become effective not sooner than forty-five (45) days after adoption. Notice of intent to effect a rate change shall be specified on the monthly bill sent to the customers. Such rates and charges shall be filed with the PSC, together with such information showing the basis of such rates and charges and such other information as the PSC considers necessary.

The PSC shall review and approve or modify such rates upon the filing of a petition, within thirty (30) days of the adoption of the ordinance changing said rates or charges, (1) by any customer aggrieved by the changed rates or charges, who presents to the PSC a petition signed by not less than twenty-five percent (25%) of the customers served by a municipal utility or (2) by any customer or group of customers who presents a petition alleging discrimination between said customer or group of customers and other customers of the municipal utility, accompanied by evidence of discrimination. Upon the filing of a petition or sufficient showing of discrimination, the PSC shall suspend the adoption of the rate change contained in the ordinance for a period of one hundred twenty (120) days from the date said rates or charges would

otherwise go into effect or until an order approving, disapproving or modifying the rate change is issued.

The PSC shall have general supervision of all municipal utilities. The PSC may ascertain the quality and quantity of water and shall have power to order such improvements as will best promote the public interests.

Public Service Commission

The PSC approved the Project by Commission Order entered on December 2, 2010, in Case No. 10-1337-W-CN. The Commission Order approves the financing described herein.

Billing and Collections

The City renders a monthly bill to commercial and other high volume customers of the System. Residential customers are billed once every three months. Payments are due 20 days after the billing date. If a bill remains unpaid beyond the due date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the mailing of termination notices and termination of service 30 days after the initial due date. Service on a delinquent account remains terminated until payment of the account is made. A reconnection charge of $25.00 is required to reinstate a previously delinquent account.

The City has a policy of writing off accounts determined to be uncollectible.

Deferred payment plans are available for any residential customer who can demonstrate inability to pay a System bill in full and that service termination would be dangerous to such customer's health or safety.

System Budget and Expenditures

The Department Heads prepare draft budgets for System operations within their respective departments. The City budget is compiled from these draft budgets and submitted to the Council on or before March 10th of each year. The budget is required by Charter to indicate operating expenditures and capital expenditures proposed for the ensuing fiscal year, detailed by office, department and agency in terms of their respective work programs, and the method of financing such expenditures. The total of proposed expenditures may not exceed the total estimated income. Prior to March 28th of each year, but following a public hearing, City Council is required to adopt the budget. Supplemental appropriations, or a reduction of appropriations, may be made by Council upon certification by the Mayor of an excess or insufficiency of revenues.

No payment may be made except in accordance with appropriations set forth in the budget. As a matter of practice, the Department Heads approve purchase orders and payments are approved by the Council prior to disbursement of funds. Separate accounting records are kept by the Water Department.

Method of Accounting

The City maintains its accounts pertaining to the System on an accrual basis and in accordance with the guidelines of the West Virginia Public Service Commission. The records of the City for the fiscal years ended June 30 of each of the past three years have been audited and are available for public inspection at the City.

Summary of Historical Revenues and Expenses

Summary Statement of Income and Expense
(Fiscal Year Ended June 30)

City of St. Albans Municipal Utility Commission - Combined Water and Sewer
Historical Coverage Ratios
(Year ended, June 30th)

	Per Audit 2006	Per Audit 2007	Per Audit 2008	Per Audit 2009		Step 1 Rate Increase Pro-Forma 2011
Net Income	1,093,656	821,021	729,568	962,553		1,850,000
Add Back Depreciation	927,353	919,105	911,418	916,287		920,000
Interest Income	34,732	98,014	62,234	22,230		30,000
Intergovernment Revenue	-	-	8,183	-		
Cash Available for Debt Service	2,055,741	1,838,140	1,711,403	1,901,070	-	2,800,000
Debt Service Requirement	1,287,997 *	1,287,946 *	1,285,357 *	1,490,315 *	1,490,315 &	2,200,000
Debt Service Coverage	160%	143%	133%	128%	0%	127%

* per audit report

& Passed Significant 3 Step Rate Increases in Water and Sewer

Note: The Pro-Forma Debt Service Requirement in 2011 represents the 2010 bonds, as well as a projection of 2011 issuance. The 2011 bonds have not been fully approved by the WV Public Service Commission in terms of project scope, but the debt service capacity has. Construction bids for the project were lower than anticipated, permitting an expanded project definition. Additional bonds will not be issued without PSC approval.

ANNUAL NET DEBT SERVICE REQUIREMENTS

The following table sets forth for each fiscal year the amounts payable from Revenues as principal of and interest on the Series 2010 Bonds.

Date	Principal	Interest	Subsidy	Total P+I	DSR	CIF	Net New D/S	Fiscal Total
12/23/2010	-	-	-	-	-	-	-	-
06/01/2011	-	291,230.21	(129,720.46)	161,509.75	-	(161,509.75)	-	-
12/01/2011	-	331,781.25	(147,782.81)	183,998.44	-	(183,998.44)	-	-
06/01/2012	-	331,781.25	(147,782.81)	183,998.44	-	(183,998.44)	-	-
12/01/2012	80,000.00	331,781.25	(147,782.81)	263,998.44	-	-	263,998.44	263,998.44
06/01/2013	-	329,981.25	(147,782.81)	182,198.44	-	-	182,198.44	-
12/01/2013	165,000.00	329,981.25	(147,782.81)	347,198.44	-	-	347,198.44	529,396.88
06/01/2014	-	325,200.00	(146,340.00)	178,860.00	-	-	178,860.00	-
12/01/2014	170,000.00	325,200.00	(146,340.00)	348,860.00	-	-	348,860.00	527,720.00
06/01/2015	-	319,462.50	(143,758.12)	175,704.38	-	-	175,704.38	-
12/01/2015	175,000.00	319,462.50	(143,758.12)	350,704.38	-	-	350,704.38	526,408.76
06/01/2016	-	313,556.25	(141,100.31)	172,455.94	-	-	172,455.94	-
12/01/2016	185,000.00	313,556.25	(141,100.31)	357,455.94	-	-	357,455.94	529,911.88
06/01/2017	-	307,312.50	(138,290.62)	169,021.88	-	-	169,021.88	-
12/01/2017	190,000.00	307,312.50	(138,290.62)	359,021.88	-	-	359,021.88	528,043.76
06/01/2018	-	300,900.00	(135,405.00)	165,495.00	-	-	165,495.00	-
12/01/2018	200,000.00	300,900.00	(135,405.00)	365,495.00	-	-	365,495.00	530,990.00
06/01/2019	-	294,150.00	(132,367.50)	161,782.50	-	-	161,782.50	-
12/01/2019	205,000.00	294,150.00	(132,367.50)	366,782.50	-	-	366,782.50	528,565.00
06/01/2020	-	287,231.25	(129,254.06)	157,977.19	-	-	157,977.19	-
12/01/2020	215,000.00	287,231.25	(129,254.06)	372,977.19	-	-	372,977.19	530,954.38
06/01/2021	-	279,975.00	(125,988.75)	153,986.25	-	-	153,986.25	-
12/01/2021	220,000.00	279,975.00	(125,988.75)	373,986.25	-	-	373,986.25	527,972.50
06/01/2022	-	271,450.00	(122,152.50)	149,297.50	-	-	149,297.50	-
12/01/2022	230,000.00	271,450.00	(122,152.50)	379,297.50	-	-	379,297.50	528,595.00
06/01/2023	-	262,537.50	(118,141.87)	144,395.63	-	-	144,395.63	-
12/01/2023	240,000.00	262,537.50	(118,141.87)	384,395.63	-	-	384,395.63	528,791.26
06/01/2024	-	253,237.50	(113,956.87)	139,280.63	-	-	139,280.63	-
12/01/2024	250,000.00	253,237.50	(113,956.87)	389,280.63	-	-	389,280.63	528,561.26
06/01/2025	-	243,550.00	(109,597.50)	133,952.50	-	-	133,952.50	-
12/01/2025	260,000.00	243,550.00	(109,597.50)	393,952.50	-	-	393,952.50	527,905.00
06/01/2026	-	233,475.00	(105,063.75)	128,411.25	-	-	128,411.25	-
12/01/2026	270,000.00	233,475.00	(105,063.75)	398,411.25	-	-	398,411.25	526,822.50
06/01/2027	-	222,675.00	(100,203.75)	122,471.25	-	-	122,471.25	-
12/01/2027	285,000.00	222,675.00	(100,203.75)	407,471.25	-	-	407,471.25	529,942.50
06/01/2028	-	211,275.00	(95,073.75)	116,201.25	-	-	116,201.25	-
12/01/2028	295,000.00	211,275.00	(95,073.75)	411,201.25	-	-	411,201.25	527,402.50
06/01/2029	-	199,475.00	(89,763.75)	109,711.25	-	-	109,711.25	-
12/01/2029	310,000.00	199,475.00	(89,763.75)	419,711.25	-	-	419,711.25	529,422.50
06/01/2030	-	187,075.00	(84,183.75)	102,891.25	-	-	102,891.25	-
12/01/2030	325,000.00	187,075.00	(84,183.75)	427,891.25	-	-	427,891.25	530,782.50
06/01/2031	-	174,075.00	(78,333.75)	95,741.25	-	-	95,741.25	-
12/01/2031	335,000.00	174,075.00	(78,333.75)	430,741.25	-	-	430,741.25	526,482.50
06/01/2032	-	160,256.25	(72,115.31)	88,140.94	-	-	88,140.94	-
12/01/2032	350,000.00	160,256.25	(72,115.31)	438,140.94	-	-	438,140.94	526,281.88
06/01/2033	-	145,818.75	(65,618.43)	80,200.32	-	-	80,200.32	-
12/01/2033	370,000.00	145,818.75	(65,618.43)	450,200.32	-	-	450,200.32	530,400.64
06/01/2034	-	130,556.25	(58,750.31)	71,805.94	-	-	71,805.94	-
12/01/2034	385,000.00	130,556.25	(58,750.31)	456,805.94	-	-	456,805.94	528,611.88
06/01/2035	-	114,675.00	(51,603.75)	63,071.25	-	-	63,071.25	-
12/01/2035	400,000.00	114,675.00	(51,603.75)	463,071.25	-	-	463,071.25	526,142.50
06/01/2036	-	98,175.00	(44,178.75)	53,996.25	-	-	53,996.25	-
12/01/2036	420,000.00	98,175.00	(44,178.75)	473,996.25	-	-	473,996.25	527,992.50
06/01/2037	-	80,325.00	(36,146.25)	44,178.75	-	-	44,178.75	-
12/01/2037	440,000.00	80,325.00	(36,146.25)	484,178.75	-	-	484,178.75	528,357.50
06/01/2038	-	61,625.00	(27,731.25)	33,893.75	-	-	33,893.75	-
12/01/2038	460,000.00	61,625.00	(27,731.25)	493,893.75	-	-	493,893.75	527,787.50
06/01/2039	-	42,075.00	(18,933.75)	23,141.25	-	-	23,141.25	-
12/01/2039	485,000.00	42,075.00	(18,933.75)	508,141.25	-	-	508,141.25	531,282.50
06/01/2040	-	21,462.50	(9,658.12)	11,804.38	-	-	11,804.38	-
12/01/2040	505,000.00	21,462.50	(9,658.12)	516,804.38	(531,282.50)	-	(14,478.12)	(2,673.74)
Total	**$8,420,000.00**	**$13,029,698.96**	**(5,856,057.55)**	**$15,593,641.41**	**(531,282.50)**	**(529,506.63)**	**$14,532,852.28**	**-**

BOND ORDINANCE

See APPENDIX C – FORM OF BOND ORDINANCE, for the Bond Ordinance enacted by the City on October 4, 2010. The Ordinance includes, inter alia, a description of the intended uses of the proceeds of the Series 2010 Bonds, the System's application of revenues and flow of funds, general covenants imposed upon the City and the System as a result of the issuance of the Series 2010 Bonds and defaults and remedies associated with the issuance of the Series 2010 Bonds.

TAX MATTERS

Series 2010 A Bonds

Disclaimer. **Any discussion of the tax issues relating to the Series 2010 A Bonds in this Official Statement was written to support the promotion or marketing of the Series 2010 A Bonds. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice with respect to the Series 2010 A Bonds based on its particular circumstances from an independent tax advisor.**

General. The Series 2010 A Bonds will be issued as taxable "recovery zone economic development bonds" authorized by Section 6431 of the Code. Pursuant to Section 6431 of the Code, the City expects to receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the Bonds. See "DESIGNATION OF THE SERIES 2010 A BONDS AS RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS" herein for more information regarding the treatment of the Bonds as "recovery zone economic development bonds."

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2010 A Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such bonds as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. Potential purchasers of the Series 2010 A Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2010 A Bonds.

Interest on the Series 2010 A Bonds is not excluded from gross income for federal income tax purposes and so will be fully subject to federal income taxation. Purchasers other than those who purchase Series 2010 A Bonds in the initial offering at their stated principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such bonds. In general, interest paid on the Series 2010 A Bonds, accrual of original issue discount and market discount, if any, will be treated as ordinary income to

an owner of Series 2010 A Bonds and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Original Issue Discount. The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2010 A Bonds issued with original issue discount ("Series 2010 A Discount Bonds"). A Series 2010 A Bond will be treated as having original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price at which a substantial amount of the Series 2010 A Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2010 A Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity.

A Series 2010 A Discount Bond's "stated redemption price at maturity" is the total of all payments provided by the Series 2010 A Discount Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includible in income by the initial holder of a Series 2010 A Discount Bond is the sum of the "daily portions" of original issue discount with respect to such Series 2010 A Discount Bond for each day during the taxable year in which such holder held such Series 2010 A Discount Bond. The daily portion of original issue discount on any Series 2010 A Discount Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Series 2010 A Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Series 2010 A Discount Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Series 2010 A Discount Bond at the beginning of any accrual period is the sum of the issue price of the Series 2010 A Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Series 2010 A Discount Bond that were not qualified stated interest payments. Under these rules, holders will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Series 2010 A Discount Bond by

using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount. Any owner who purchases a Series 2010 A Bond at a price which includes market discount in excess of a prescribed de minimis amount (*i.e.*, at a purchase price that is less than its adjusted issue price in the hands of an original owner) will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2010 A Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An owner who acquires a Series 2010 A Bond at a market discount also may be required to defer, until the maturity date of such Series 2010 A Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2010 A Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Series 2010 A Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2010 A Bond for the days during the taxable year on which the owner held the Series 2010 A Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2010 A Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondowner elects to include such market discount in income currently as described above.

Sale or Redemption of Series 2010 A Bonds. A bondowner's tax basis for a Series 2010 A Bond is the price such owner pays for the Series 2010 A Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified stated interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2010 A Bond, measured by the difference between the amount realized and the basis of the Series 2010 A Bond as so adjusted, will generally give rise to capital gain or loss if the Series 2010 A Bond is held as a capital asset (except as discussed above under "Market Discount"). The legal defeasance of Series 2010 A Bonds may

result in a deemed sale or exchange of such Series 2010 A Bonds under certain circumstances; owners of such Series 2010 A Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

Backup Withholding. A bondowner may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding obligation is 28%, but the rate may change in the future) with respect to interest or original issue discount on the Series 2010 A Bonds. This withholding generally applies if the owner of a Series 2010 A Bond (a) fails to furnish the trustee or other payor with its taxpayer identification number, (b) furnishes the trustee or other payor an incorrect taxpayer identification number, (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the trustee or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Series 2010 A Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

Backup withholding is not an additional tax. Any amount paid as backup withholding would be credited against the bondholder's U.S. federal income tax liability, provided that the requisite information is timely provided to the IRS. The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series 2010 A Bonds will be reported to the bondowners and to the Internal Revenue Service.

Nonresident Bondowners. Under the Code, interest and original issue discount income with respect to Series 2010 A Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons ("Nonresidents") generally will not be subject to the United States withholding tax (or backup withholding) if the City (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Series 2010 A Bond is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA. The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2010 A Bonds.

The opinions of Bond Counsel are not intended or written by Bond Counsel to be used and cannot be used by an owner of the Series 2010 A Bonds for the purpose of avoiding penalties that may be imposed on the owner of the Series 2010 A Bonds. The opinions of Bond Counsel are

provided to support the promotion or marketing of the Series 2010 A Bonds. In all events, all investors should consult their own tax advisors in determining the Federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the Series 2010 A Bonds.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, and court decision, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2010 B Bonds under Federal or state law or affect the receipt of the cash subsidy payments on the Series 2010 A Bonds and could affect the market price or marketability of the Series 2010 B and the Series 2010 A Bonds.

West Virginia Taxes. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Series 2010 A Bonds and the interest thereon are exempt from direct taxation by the State of West Virginia or any county, municipality, political subdivision, or agency thereof.

Series 2010 B Bonds

Tax-Exemption. In the opinion of Bond Counsel for the Series 2010 B Bonds, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming continued compliance of the City with certain covenants designed to meet the requirements of Section 103 of the Code, interest on the Series 2010 B Bonds is excludable from gross income for Federal income tax purposes. Bond Counsel for the Series 2010 B Bonds is also of the opinion that interest on the Series 2010 B Bonds is not a specific item of tax preference under Section 57 of the Code for purposes of the Federal individual or corporate alternative minimum taxes.

A copy of the opinion of Bond Counsel for the Series 2010 B Bonds is set forth in Appendix D, attached hereto.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Series 2010 B Bonds. The City has covenanted to comply with certain restrictions designed to ensure that interest on the related issues of Series 2010 B Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Series 2010 B Bonds being includable in income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Series 2010 B Bonds. The opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2010 B Bonds may adversely affect the tax status of the interest on the Series 2010 B Bonds.

Certain requirements and procedures contained or referred to in the Series 2010 B Bond documents and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series 2010 B Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Series 2010 B Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Steptoe & Johnson PLLC.

Although Bond Counsel for the Series 2010 B Bonds is of the opinion that interest on the Series 2010 B Bonds will be excludable from gross income for Federal and West Virginia income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2010 B Bonds may otherwise affect a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the bondholder or the bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each bondholder or potential bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing the Series 2010 B Bonds on the tax liabilities of the individual or entity.

Bank Qualification. The City has designated the Series 2010 B Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

West Virginia Taxes. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Series 2010 B Bonds and the interest thereon are exempt from direct taxation by the State of West Virginia or any county, municipality, political subdivision, or agency thereof.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2010 Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. H. Wyatt Hanna, III, South Charleston, West Virginia, Counsel for the City, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as Counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the validity of the Series 2010 Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2010 Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2010 Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2010 BONDS - General."

UNDERWRITING

The Series 2010 Bonds are being purchased by the Underwriter named on the cover of this Official Statement. The Purchase Contract provides that the Underwriter will purchase all the Series 2010 Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof, less an Underwriter's discount of $210,500.00. The obligation to make such purchase is subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The Underwriter may change the initial public offering prices from time to time. The Underwriter may offer and sell Series 2010 Bonds to certain dealers (including dealers depositing Series 2010 Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

FINANCIAL STATEMENTS

Included herein as Appendix B are the general purpose financial statements and the combined and individual fund and account group financial statements of the City (which include the System) as of and for the twelve-month period ended June 30, 2009, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2009, dated June 2, 2010, prepared by the West Virginia State Auditor's Office.

CONTINUING DISCLOSURE

The City is the obligated party with respect to the Series 2010 Bonds and will provide the continuing disclosure described below. The City has covenanted to provide, in accordance with the Continuing Disclosure Agreement, which shall be delivered in substantially the form attached hereto as APPENDIX E, certain financial information and operating data (the "Annual Information") not later than one hundred eighty (180) days following the end of its fiscal year, commencing with the report for the fiscal year ended June 30, 2010 (which is due no later than December 31, 2010), and to provide notice of the occurrence of the enumerated events listed therein, if material. The Annual Information and each notice of material events will be filed electronically by the City with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c2-12 promulgated by the SEC. The City has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2010 Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX E – CONTINUING DISCLOSURE AGREEMENT."

The City has complied with all continuing disclosure obligations applicable to it.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2010 Bonds. The City has authorized the execution and distribution of this Official Statement.

CITY OF ST. ALBANS, WEST VIRGINIA

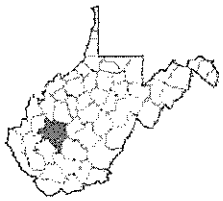
By: /s/ Dick Callaway
Mayor

APPENDIX A

GENERAL INFORMATION REGARDING ST. ALBANS

APPENDIX A

(Sources include the City, US Census, and City-Data.com)



General Information Regarding St. Albans and Kanawha County, West Virginia

The City is located at the confluence of the Kanawha and Coal Rivers in the southwestern part of West Virginia, approximately 13 miles west of Charleston, the State capital. The site of the City was first settled in the early 1800's but was not incorporated until 1868. The town grew and prospered from activities associated with the timber industry. Several logging companies and saw mills were located in the community which was also a thriving railroad center and still remains a point on the main line of the Chessie System. The City is included in the Charleston Standard Metropolitan Statistical Area (SMSA), which is defined as Kanawha and Putnam Counties by the United States Bureau of the Census. In addition to the concentration of chemical production, the SMSA is diversifying on the cornerstones of retail and wholesale trades, manufacturing, government and services. However, the City is unique among the communities making up the SMSA as it is primarily a residential community. Charleston is the governmental and commercial center and along with other suburban communities is primarily industrialized. Retail, commercial and service businesses provide the primary tax base for the City.

As is prevalent in most of West Virginia, the St. Albans area is characterized by hilly terrain with the only relief provided by the Coal and Kanawha river bottomlands. The altitude varies from 596 feet in the downtown area to approximately 981 feet at the nearby Yeager Airport.

Government Services

The City has a council-manager form of government, with elections of the council members held every four years. Twelve councilpersons serve coinciding four-year terms. The City provides police, fire, garbage collection and recreation services in addition to water and sewer facilities under the aegis of the utility commission.

Transportation

The completion of three interstate highways, 1-64, 1-77 and 1-79, interconnecting Charleston as well as Appalachian Corridor "G," brings the SMSA within the overnight road travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways merge. East-West 1-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South 1-77 from Cleveland, Ohio to South Carolina; Northeast-Southeast 1-79 from Erie, Pennsylvania to Charleston, West Virginia; and Appalachian Corridor "G" from Charleston, West Virginia to Virginia to Pikeville, Kentucky. The West Virginia Turnpike originating in Charleston and terminating 88 miles south, has been upgraded to become part of the interstate system. In addition to the new superhighways, four
National and three state highways presently serve the SMSA.

Charleston is the most direct route from the Midwest to the southeast and serves as a logical transfer point for goods shipped from the Carolinas to Ohio, and parts of the Midwest. The Greyhound Bus Line offers interstate and intrastate service both in freight and passenger capacity. Local bus service is furnished by the Kanawha Valley regional transportation authority (KRT). KRT operates a 60+ fleet bus system, which serves the entire Kanawha Valley seven days a week.

Yeager Airport accommodates commercial, general and military air traffic. Major improvements to the airport have been made in the last few years including terminal remodeling, additional parking spaces, and a building in the airport complex housing FAA and the National Weather Service. Charter air service and cargo air services are available through several companies at the airport.

Water

The Kanawha and Elk Rivers, tributaries of the Ohio River system, juncture the area. Both rivers are navigable, with the Kanawha River Basin being the largest northwardly flowing river system in the nation. Approximately 69% of the Basin lies within West Virginia. The U.S. Corps of Engineers maintains a nine-foot channel for navigation with three locks located on the Kanawha River to accommodate barges.

Financial

The SMSA serves as the financial as well as the governmental capital of the State. Extensive correspondent networks extend to the rural areas of the State, and are inter-connected with the major national money market.

Education

Public schools in West Virginia operate on the county-unit system, with a non-partisan Board of Education, whose five members are elected for overlapping six-year terms. The Kanawha county school system is about twice as large as any other school system in the state. There are approximately 45 private and denominational schools which offer curriculum for students from k-12.

The University of Charleston is a 4-year co-educational institution offering undergraduate degree programs from its five colleges. West Virginia State University, located in Institute, offers courses in business, the arts and teaching. Marshall University, the successor institution to the West Virginia College of Graduate Studies, is housed in Kanawha County and offers the opportunity for degree-holders to obtain a Masters degree without losing work time. Marshall University's main campus is located 26 miles southeast in Huntington, offering a wide range of undergraduate and graduate degrees.

Recreation and Culture

The SMSA offers a variety of cultural and recreational facilities. The newest addition to the capitol complex, the State Science and Cultural Center, houses a great hall, state theater, state library and museum. Since many visitors of the State start or end in the SMSA, there are numerous restaurant and lodging facilities. There are approximately 2,640 hotel and motel rooms in the Charleston Area.

There are over 11,000 acres devoted to public recreation in Kanawha County. Kanawha County Parks and Recreation Commission operate five regional parks in Kanawha County. The largest of these, Coonskin Park, has 1,200 wooded acres near Yeager Airport and offers a 18-hole par 3 golf course, heated 50-meter swimming pool, a clubhouse with dining facilities, 9 tennis courts, skeet shooting range and 15 picnic areas. Kanawha State Forest, just 30 minutes from St. Albans, is a 9,200-acre park of West Virginia's extensive state park system, which provides 45 campsites, swimming pool, fishing and nature trails.

Cultural interests may be satisfied in a diverse number of facilities. The Kanawha County Public Library is a countywide system with the main library in downtown Charleston, seven branches and a bookmobile. The library system contains over 558,000 volumes with a 1,038,000 circulation. Sunrise, Charleston's multifaceted cultural complex perched above the south bank of the Kanawha River, is a symbol of the City's community-wide participation in the arts. Sunrise, established in 1961 by civic-minded residents occupies two magnificent old mansions on a 13-acre estate.

To assist with the growth of the arts, the Fund for the Arts was established in 1981. Community and civic leaders raise money for and offer financial management to arts groups who are members of the fund-raising organization. Only businesses are solicited.

Medical

The SMSA has become a major center of specialized care and advanced medical training, providing complete health services in modem well-equipped institutions. Charleston is home of the State's largest hospital complex, the Charleston Area Medical Center, which operates a total of 962+ beds. It is the home of the Charleston Division of the West Virginia University School of Medicine. In addition, there are other hospitals operating in the SMSA with a total of approximately 530+ licensed beds, including Thomas Memorial Hospital/St. Francis Hospital.

Utilities

Appalachian Power Company, a subsidiary of the American Electric Power Company serves the SMSA and 21 counties in southern West Virginia. Appalachian is one of eight operating companies of the AEP system connected with the System by an extra high voltage transmission system of 756,000 volts. The John E. Amos Generating Plant, located west of the City with a capacity of 2,900,000 kilowatts, is the largest electric generating facility in West Virginia.

The Mountaineer Gas Company serves the SMSA. Headquarters of several natural gas operators and drillers are located in Kanawha County.

Top 10 Employers – Kanawha County *(July 2008)*

Charleston Area Medical Center
Kanawha County Board of Education
Herbert J. Thomas Memorial Hospital Association
US Postal Service
Wal-Mart Associates, Inc.
West Virginia Department of Highways
City of Charleston
The Kroger Company
West Virginia Department of Health and Human Resources
West Virginia Department of Administration

Source: Bureau of Employment Programs

Labor Force (Kanawha)

	2003	2004	2005	2006	2007	2008	Sept 2009	Sept 2010
Civilian Labor Force	91,870	91,480	91,470	92,020	92,310	91,870	89,950	88,930
Employment	86,990	87,160	87,190	88,250	88,810	88,690	83,720	81,970
Unemployment	4,880	4,310	4,290	3,770	3,490	3,180	6,230	6,970
Unemployment Rate	5.3%	4.7%	4.7%	4.1%	3.8%	3.5%	6.9%	7.8%

Source: Bureau of Employment Programs

Payroll (Kanawha)

	Sept 2009	Aug 2010	Sept 2010
Total Nonfarm Payroll	112,960	114,500	113,010
Goods Producing	11,000	10,940	10,690
Service Producing	101,960	103,570	102,320

Source: Workforce West Virginia

Population

Year	St. Albans	Kanawha County	West Virginia
1990	11,194	207,619	1,792,548
2000	11,567	200,073	1,807,326
08/09 estimate	10,984 (2009)	191,018 (2008)	1,819,777

Source: U.S. Bureau of Economic Analysis and Census Bureau

US CENSUS DATA – KANAWHA COUNTY, WV

People QuickFacts	Kanawha County	West Virginia
Population, 2009 estimate	191,663	1,819,777
Population, percent change, April 1, 2000 to July 1, 2009	-4.2%	0.6%
Population estimates base (April 1) 2000	200,076	1,808,344
Persons under 5 years old, percent, 2009	6.1%	5.8%
Persons under 18 years old, percent, 2009	21.2%	21.2%
Persons 65 years old and over, percent, 2009	16.6%	15.8%
Female persons, percent, 2009	52.0%	51.0%
White persons, percent, 2009 (a)	88.9%	94.4%
Black persons, percent, 2009 (a)	8.0%	3.7%
American Indian and Alaska Native persons, percent, 2009 (a)	0.4%	0.2%
Asian persons, percent, 2009 (a)	1.2%	0.7%
Native Hawaiian and Other Pacific Islander, percent, 2009 (a)	0.1%	Z
Persons reporting two or more races, percent, 2009	1.4%	1.0%
Persons of Hispanic or Latino origin, percent, 2009 (b)	1.8%	1.2%
White persons not Hispanic, percent, 2009	87.5%	93.3%
Living in same house in 1995 and 2000, pct 5 yrs old & over	62.7%	63.3%
Foreign born persons, percent, 2000	1.4%	1.1%
Language other than English spoken at home, pct age 5+, 2000	3.1%	2.7%
High school graduates, percent of persons age 25+, 2000	80.0%	75.2%
Bachelor's degree or higher, pct of persons age 25+, 2000	20.6%	14.8%
Persons with a disability, age 5+, 2000	44,009	410,781
Mean travel time to work (minutes), workers age 16+, 2000	21.9	26.2
Housing units, 2009	95,577	893,813
Homeownership rate, 2000	70.3%	75.2%
Housing units in multi-unit structures, percent, 2000	17.9%	12.0%
Median value of owner-occupied housing units, 2000	$80,700	$72,800
Households, 2000	86,226	736,481
Persons per household, 2000	2.28	2.40
Median household income, 2008	$41,488	$37,528
Per capita money income, 1999	$20,354	$16,477
Persons below poverty level, percent, 2008	15.8%	17.4%

Business QuickFacts	Kanawha County	West Virginia
Private nonfarm establishments, 2007	5,620	40,492[1]
Private nonfarm employment, 2007	91,431	581,023[1]
Private nonfarm employment, percent change 2000-2007	-5.5%	4.1%[1]
Nonemployer establishments, 2007	10,169	93,236
Total number of firms, 2002	13,785	113,087
Black-owned firms, percent, 2002	S	1.3%
American Indian and Alaska Native owned firms, percent, 2002	F	0.4%
Asian-owned firms, percent, 2002	2.0%	1.1%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	F	0.0%
Hispanic-owned firms, percent, 2002	F	0.6%
Women-owned firms, percent, 2002	27.1%	27.7%
Manufacturers' shipments, 2002 ($1000)	2,317,389	18,911,332
Wholesale trade sales, 2002 ($1000)	2,883,675	10,924,279
Retail sales, 2002 ($1000)	2,648,190	16,747,900
Retail sales per capita, 2002	$13,504	$9,277
Accommodation and foodservices sales, 2002 ($1000)	334,019	1,974,851
Building permits, 2009	153	2,235
Federal spending, 2008	2,436,431	18,002,438[1]

Geography QuickFacts	Kanawha County	West Virginia
Land area, 2000 (square miles)	903.10	24,077.73
Persons per square mile, 2000	221.6	75.1
FIPS Code	039	54
Metropolitan or Micropolitan Statistical Area	Charleston, WV Metro Area	

Nearest city with pop. 50,000+: Charleston, WV (10.3 miles, pop. 53,421).
Nearest city with pop. 200,000+: Columbus, OH (127.8 miles, pop. 711,470).
Nearest city with pop. 1,000,000+: Philadelphia, PA (374.8 miles, pop. 1,517,550).
Nearest cities: Jefferson, WV (1.5 miles), Nitro, WV (1.6 miles), Tornado, WV (1.8 miles), Cross Lanes, WV (2.0 miles), Dunbar, WV (2.1 miles), Poca, WV (2.4 miles), South Charleston, WV (2.5 miles), Alum Creek, WV (2.6 miles).

Single-family new house construction building permits:

- 2003: 6 buildings, average cost: $98,300
- 2004: 6 buildings, average cost: $98,300
- 2005: 7 buildings, average cost: $98,300
- 2006: 7 buildings, average cost: $98,300
- 2007: 8 buildings, average cost: $110,800
- 2008: 5 buildings, average cost: $110,800
- 2009: 1 building, cost: $111,300

Hospitals/medical centers near St. Albans:

- THOMAS MEMORIAL HOSPITAL (about 6 miles; SOUTH CHARLESTON, WV)
- PUTNAM GENERAL HOSPITAL (about 10 miles; HURRICANE, WV)
- CHARLESTON AREA MED CNTR (about 11 miles; CHARLESTON, WV)

Colleges/universities with over 2000 students nearest to St. Albans:

- WEST VIRGINIA STATE COLLEGE (about 16 miles; INSTITUTE, WV; Full-time enrollment: 3,688)
- MARSHALL UNIVERSITY (about 34 miles; HUNTINGTON, WV; FT enrollment: 12,361)
- WEST VIRGINIA UNIVERSITY AT PARKERSBURG (about 64 miles; PARKERSBURG, WV; FT enrollment: 2,306)
- SHAWNEE STATE UNIVERSITY (about 67 miles; PORTSMOUTH, OH; FT enrollment: 2,849)
- OHIO UNIVERSITY-MAIN CAMPUS (about 67 miles; ATHENS, OH; FT enrollment: 18,721)
- HOCKING TECHNICAL COLLEGE (about 69 miles; NELSONVILLE, OH; FT enrollment: 4,050)
- CONCORD COLLEGE (about 79 miles; ATHENS, WV; FT enrollment: 2,723)

Banks with branches in St. Albans (2009 data):

- JPMorgan Chase Bank, National Association
- City National Bank of West Virginia
- Branch Banking and Trust Company

Communications

Strongest AM radio stations in St. Albans:
WCHS, WJYP, WVTS, WCAW, WBES, WZZW, WBGS, WTVN, WOKU, WSWW, WOAY, WVHU

Strongest FM radio stations in St. Albans:
WKLC-FM, WQBE-FM, WZJO, WJYP-FM, WVSR-FM, WKWS, WRVZ, WVWV, WAMX, WVAF, WKAZ ,WXAF, WZAC-FM, WVPN, WCIR-FM, WKVW, WDBS, WEMM, WVOW-FM

TV broadcast stations around St. Albans:

- WCHS-TV (Channel 8; CHARLESTON, WV
- WVAH-TV (Channel 11; CHARLESTON, WV
- WLPX-TV (Channel 29; CHARLESTON, WV
- WPBY-TV (Channel 33; HUNTINGTON, WV
- WSAZ-TV (Channel 3; HUNTINGTON, WV
- WOWK-TV (Channel 13; HUNTINGTON, WV
- W31CA (Channel 31; CHARLESTON, WV
- W16CE (Channel 16; CHARLESTON, WV
- W36CR (Channel 36; HUNTINGTON, WV
- WOWB-LP (Channel 53; CHARLESTON, WV

APPENDIX B

FINANCIAL STATEMENTS

AUDIT REPORT OF
ST. ALBANS MUNICIPAL UTILITY COMMISSION
For the Fiscal Year Ended June 30, 2009

AUDIT REPORT OF
ST. ALBANS MUNICIPAL UTILITY COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

This audit has been conducted pursuant to the authority and duty of the State Auditor as Chief Inspector and Supervisor of Public Offices to conduct an annual inspection of all political subdivisions of the State of West Virginia and any agency created by these subdivisions. This power is granted by West Virginia Code §6-9-1 et seq.

ST. ALBANS MUNICIPAL UTILITY COMMISSION
SCHEDULE OF FUNDS INCLUDED IN REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROPRIETARY FUND TYPE

Combined Water and Sewerage

ST. ALBANS MUNICIPAL UTILITY COMMISSION
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INTRODUCTORY SECTION

ST. ALBANS MUNICIPAL UTILITY COMMISSION
BOARD MEMBERS
For the Fiscal Year Ended June 30, 2009

OFFICE	NAME	TERM
	Elective	
Chairman:	Richard Callaway	01-01-02 / 06-30-11
Board Members:	Frank Outfit	06-06-07 / 08-17-10
	Tim Sheldon	07-17-07 / 12-19-12
	John Casto (Resigned)	11-07-05 / 07-08-08
	Jerry Cogar (Appointed)	09-20-08 / 06-30-12
	Appointive	
Attorney:	H. Wyatt Hanna III	

FINANCIAL SECTION

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
Building 1, Room W-420
Charleston, West Virginia 25305

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FAX: (304) 558-5327
Internet: http://www.wvsao.gov

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
St. Albans Municipal Utility Commission
St. Albans, West Virginia 25177

We have audited the accompanying financial statements of the St. Albans Municipal Utility Commission (the Commission), a component unit of the Municipality of St. Albans, West Virginia, as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the St. Albans Municipal Utility Commission, as of June 30, 2009, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2010 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note I.D.8., the Board has implemented a new pronouncement, as required by the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, as of June 30, 2009.

The Commission has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and the Schedule of Rate Covenant Compliance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Rate Covenant Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Respectfully submitted,

Glen B. Gainer, III
West Virginia State Auditor

June 2, 2010

ST. ALBANS MUNICIPAL UTILITY COMMISSION
STATEMENT OF NET ASSETS - PROPRIETARY FUND
June 30, 2009

	Business-type Activities Combined Water & Sewerage
ASSETS	
Current:	
Cash and cash equivalents	$ 3,135,878
Receivables:	
Accounts	878,889
Other	30,939
Total current assets	4,045,706
Noncurrent assets:	
Regular account	270,715
Reserve account	1,340,842
Renewal and replacement	103,263
Customer deposits	4,514
Total noncurrent assets	1,719,334
Capital assets:	
Nondepreciable:	
Land	474,848
Construction in progress	214,757
Depreciable:	
Buildings	11,522,307
Structures and improvements	499,433
Transmission and distribution	5,229,720
Machinery and equipment	19,533,863
Less: accumulated depreciation	(15,225,554)
Total capital assets (net of accumulated depreciation)	22,249,374
Total assets	$ 28,014,414

See accompanying notes to the financial statements.

ST. ALBANS MUNICIPAL UTILITY COMMISSION
STATEMENT OF NET ASSETS - PROPRIETARY FUND
June 30, 2009

	Business-type Activities Combined Water & Sewerage
LIABILITIES	
Current liabilities payable from current assets:	
Accounts payable	$ 70,495
Payroll payable	19,126
Other post employment benefits payable	46,252
Due to:	
Component unit	1,090
Other governments	52,364
Total current liabilities payable from current assets	189,327
Noncurrent liabilities due within one year:	
Revenue bonds payable	1,098,634
Accrued revenue bond interest payable	32,640
Customer deposits	160,454
Total noncurrent liabilities due within one year	1,291,728
Noncurrent liabilities due within more than one year:	
Bonds payable	14,046,020
Compensated absences payable	44,773
Total noncurrent liabilities due within more than one year	14,090,793
Total liabilities	15,571,848
NET ASSETS	
Invested in capital assets, net of related debt	7,104,720
Restricted for debt service	1,714,820
Restricted for customer deposits	4,514
Unrestricted	3,618,512
Total net assets	12,442,566
Total liabilities and net assets	$ 28,014,414

See accompanying notes to the financial statements.

ST. ALBANS MUNICIPAL UTILITY COMMISSION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2009

	Business-type Activities Combined Water & Sewerage
Operating revenues:	
Sales and services to customers	$ 4,942,008
Discount and penalties	118,260
Miscellaneous	19,225
Total revenues	5,079,493
Operating expenses:	
Personal services	1,183,155
Contractual services	77,018
Administrative and general	425,638
Rents	17,903
Taxes	92,229
Miscellaneous	95,761
Fuel and oil	55,236
Liability insurance	217,780
Materials and supplies	347,783
Depreciation	916,287
Maintenance	688,150
Total operating expenses	4,116,940
Operating income (loss)	962,553
Nonoperating revenues (expenses):	
Interest revenue	22,230
Interest and fiscal charges	(218,986)
Total nonoperating revenues (expenses)	(196,756)
Change in net assets	765,797
Net assets at beginning of year, as restated Note II G.	11,676,769
Net assets at end of year	$ 12,442,566

See accompanying notes to the financial statements.

ST. ALBANS MUNICIPAL UTILITY COMMISSION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2009

	Business-type Activities Combined Water & Sewerage
Cash flows from operating activities:	
Cash received from customers	$ 4,907,689
Cash paid for goods and services	(2,162,632)
Cash paid to employees	(1,155,216)
Net cash provided (used) by operating activities	1,589,841
Cash flows from capital and related financing activities:	
Proceeds from capital debt	2,735,000
Purchases of capital assets	(163,236)
Acquisition and construction of capital assets	(214,757)
Principal paid on capital debt	(1,027,049)
Interest paid on capital debt	(238,284)
Net cash provided (used) by capital and related financing activities	1,091,674
Cash flows from investing activities:	
Interest received	22,230
Net increase (decrease) in cash and cash equivalents	2,703,745
Cash and cash equivalents, July 1, (including $1,315,003 in restricted accounts)	2,151,467
Cash and cash equivalents, June 30, (including $1,719,334 in restricted accounts)	$ 4,855,212

See accompanying notes to the financial statements.

ST. ALBANS MUNICIPAL UTILITY COMMISSION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2009

	Business-type Activities Combined Water & Sewerage
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	$ 962,553
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	916,287
Decrease (increase) in accounts receivable	(154,114)
Decrease (increase) in other receivable	(30,939)
Increase (decrease) in customer deposits	13,249
Increase (decrease) in accounts payable	(182,537)
Increase (decrease) in due to primary government	37,403
Increase (decrease) in payroll payable	6,537
Increase (decrease) in other post employment benefits	17,861
Increase (decrease) in compensated absences payable	3,541
Net cash provided by operations	$ 1,589,841

See accompanying notes to the financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the St. Albans Municipal Utility Commission (the Commission) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

A. Reporting Entity

The Commission, a component unit of the Municipality of St. Albans, is governed by a chairman which is the elected mayor of the Municipality of St. Albans, West Virginia and five board members who are approved by the City Council. The Commission is a legally separate organization for which elected officials of the primary government are financially accountable. The Commission is a discretely presented component unit of the primary government based upon the criteria stipulated in the Governmental Accounting Standards Board Statement No. 14.

B. Fund Financial Statements

The financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. Business-type activities rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government reports the following major proprietary fund:

The *Combined Water & Sewerage Fund* provides water and sewer services to the public. The bond issuance authorizations are approved by the primary government's elected council. The Commission promulgates rules and regulations governing the usage and maintenance of the facilities.

The Commission follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with GASB Pronouncements in the proprietary fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Combined Water & Sewerage fund's (enterprise fund) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, and Net Assets

1. Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition. For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* the Commission reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements), which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The composition of investments and fair values are presented in Note II.A.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the state of West Virginia; obligations of the federal mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades; interest earning deposits which are fully insured or collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

State statute limitations concerning the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

2. Receivables and Payables

Trade Receivables

All trade receivables are shown at net of allowance for uncollectibles.

3. Restricted Assets

Certain proceeds of the Combined Water and Sewerage enterprise fund revenue bonds, as well as certain proceeds set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months.

The "reserve" account is used to report resources set aside to make up potential future deficiencies in the regular account.

The "renewal and replacement" account is used to report resources set aside to meet unexpected contingencies or fund asset renewals and replacements.

The "customer deposit" account is used to report the segregation of returnable cash deposits from customers of the utility upon initial receipt of the service.

4. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment are reported in the business-type activities column in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is not reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds during the same period.

The Commission's capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-50
Structures and Improvements	25-50
Transmission and Distribution	25-50
Machinery and Equipment	03-10

5. Compensated Absences

The Commission's policy permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences* .

When a permanent full time employee retires, the employee may elect to have any accrued sick leave converted to insurance benefits based on a calculation of the number of sick days times the employee's rate of pay.

6. Long-Term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

7. Fund Equity

Reservations of net assets are limited to outside third-party restrictions. Contributed capital is not subject to repayment and primarily represents assets contributed to the fund by other Board funds and donations. It also includes grants that are restricted for capital acquisitions, and assets acquired through general government resources. These assets are recorded at fair value on the date contributed. All contributed capital is recorded as revenues.

8. Change in Accounting Policy

Effective July 1, 2008, the Commission adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting for Employers for Post Employment Benefits Other Than Pensions*. As required by the standard, the long-term liability and related expense have been included in the business-type activities in the amount of $46,252. In addition, the Sanitary Board statement reflects the long-term liability and related expense in the amount of $46,252. All OPEB required note disclosures have been included in the notes to the financial statements.

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had the following investments:

		Credit Risk Rating	
	Fair Value	Standard & Poor's and Fitch	Moody's Investment Services
Municipal Bond Commission	$ 1,611,558	Not Rated	Not Rated

Custodial Credit Risk

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. At year end, the Commission's bank balances were $3,243,655, which were fully collateralized.

For investments, the government could be exposed to risk in the event of the failure of the counterparty where the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the Municipal Utility Commission's investment balances were $1,611,557, which were held with the Municipal Bond Commission and were fully secured.

A reconciliation of cash and investments as shown on the Statement of Net Assets is as follows:

Cash and cash equivalents	$ 3,243,655
Investments - collateralized and secured	1,611,557
Total	$ 4,855,212

Cash and cash equivalents	$ 3,135,878
Cash and cash equivalents - restricted	107,777
Investments - restricted	1,611,557
Total	$ 4,855,212

B. Receivables

Receivables at year end, including applicable allowances for uncollectible accounts, are as follows:

	Combined Water & Sewerage
Receivables:	
Accounts	$ 931,133
Other	30,939
Less: Allowance for Uncollectible	(52,244)
Net Total Receivables	$ 909,828

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 474,848	$ --	$ --	$ 474,848
Construction in progress	--	214,757	--	214,757
Total capital assets, not being depreciated	474,848	214,757	--	689,605
Capital assets being depreciated:				
Buildings	11,522,307	--	--	11,522,307
Structures and improvements	499,433	--	--	499,433
Transmission and distribution	5,173,120	56,600	--	5,229,720
Machinery and equipment	19,427,227	106,636	--	19,533,863
Less: accumulated depreciation	(14,309,267)	(916,287)	--	(15,225,554)
Total capital assets being depreciated, net	22,312,820	(753,051)	--	21,559,769
Business-type activities capital assets, net	$ 22,787,668	($ 538,294)	$ --	$ 22,249,374

Depreciation expense was charged to the fund of the Commission as follows:

Business-type activities:	Amount
Combined Water and Sewerage Fund	$ 916,287

Construction in Progress

The Commission has active construction projects as of June 30, 2009. The project includes the construction and improvement of water and wastewater treatment facilities. At year end the amounts spent-to-date are as follows:

Project	Spent-to-Date	Funded
Water Construction Project	$ 214,757	MBC Loan

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to component unit:

Receivable Fund	Payable Fund	Amount
Municipality of St. Albans	Municipal Utility Commission	$ 1,090

Due to other government:

Receivable Fund	Payable Fund	Amount
Greater St. Albans PSD	Municipal Utility Commission	$ 52,364

E. Long-Term Debt

Revenue Bonds

The Commission issues bonds where the government pledges income derived from acquired or constructed assets to pay debt service. The proceeds of these bonds are being used to upgrade the Sewer Treatment Plant and fund the new Water Construction Project. The bonds are secured by the revenues of the Combined Water and Sewerage Fund, which are required to be in sufficient amount to pay principal and interest on the bonds when due. Revenue Bonds outstanding of $15,144,654 at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2009
Business-type activities:					
Series 2000 A	4/1/2013	3.70%	$ 2,500,000	$ 1,515,000	985,000
Series 2000 B	6/1/2022	2.00%	16,281,000	4,976,309	11,304,691
Series 2000 C	10/1/2020	5.80%	225,000	61,409	163,591
Series 2008 A	12/1/2028	4.37%	2,735,000	43,628	2,691,372
Total revenue bonds			$ 21,741,000	$ 6,596,346	$ 15,144,654

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Principal	Interest
2010	$ 1,098,634	$ 391,681
2011	1,128,696	360,799
2012	1,159,280	328,913
2013	1,195,405	296,018
2014	952,085	261,863
2015 - 2019	5,106,342	963,068
2020 - 2024	3,666,845	366,375
2025 - 2029	837,367	86,550
Totals	$ 15,144,654	$ 3,055,267

Utility Pledged Revenues

The Commission has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $2,500,000 in water and sewer revenue bonds issued in April 2000. Proceeds from the bonds provided financing for maintenance and system upgrades to the water and sewer facilities and treatment plant. The bonds are payable solely from water and sewerage customer net revenues and are payable through April 2013. Annual principal and interest payments on the bonds are expected to require less than 14.71 percent of revenues. The total principal and interest remaining to be paid on the bonds is $1,103,440. Principal and interest paid for the current year and total customer net revenues were $276,295 and $1,878,840, respectively.

The Commission has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $16,281,000 in water and sewer revenue bonds issued in March 2000. Proceeds from the bonds provided financing for maintenance and system upgrades to the water and sewerage facilities and treatment plant. The bonds are payable solely from water and sewerage customer net revenues and are payable through June 2022. Annual principal and interest payments are expected to require less than 52.68 percent of revenues. The total principal and interest remaining to be paid on the bonds is $12,865,996. Principal and interest paid for the current year and total customer net revenues were $989,690 and $1,878,840, respectively.

The Commission has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $225,000 in water and sewer revenue bonds issued in March 2000. Proceeds from the bonds provided financing for maintenance and system upgrades to the water and sewerage facilities and treatment plant. The bonds are payable solely from water and sewerage customer net revenues and are payable through October 2020. Annual principal and interest payments are expected to require less than 1.01 percent of revenues. The total principal and interest remaining to be paid on the bonds is $226,848. Principal and interest paid for the current year and total customer net revenues were $19,015 and $1,878,840, respectively.

The Commission has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $2,735,000 in water and sewer revenue bonds issued in 2008. Proceeds from the bonds provided financing for Water Construction Project. The bonds are payable solely from water and sewerage customer net revenues and are payable through December 2028. Annual principal and interest payments are expected to require less than 10.93% percent of revenues. The total principal and interest remaining to be paid on the bonds is $4,003,637. Principal and interest paid for the current year and total customer net revenues were $205,315 and $1,878,840, respectively.

Changes in Long-Term Liabilities

	Business-Type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	$ 13,436,703	$ 2,735,000	($ 1,027,049)	$ 15,144,654	$ 1,098,634
Compensated absences	41,232	3,541	--	44,773	--
Business-type activities Long-term liabilities	$ 13,477,935	$ 2,738,541	($ 1,027,049)	$ 15,189,427	$ 1,098,634

F. Restricted Assets

The balances of the restricted asset accounts for the Commission are as follows:

Revenue bond operations and maintenance account	$ 1,611,557
Revenue bond renewal and replacement account	103,263
Customer deposits	4,514
Total restricted assets	$ 1,719,334

G. Prior Period Adjustment

The following net assets required restatement at the beginning of the year as follows:

	St. Albans MUC
Net assets, as previously stated	$ 11,821,049
Less:	
Prior year receivables	(115,889)
OPEB liability	(28,391)
Net assets, restated	$ 11,676,769

III. OTHER INFORMATION

A. Risk Management

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with the West Virginia State Board of Risk for umbrella (general liability) insurance for these various risks.

Workers' Compensation Fund (WCF): West Virginia utilizes a single private insurance company, Brick Street Insurance, to provide workers' compensation coverage to all employers in the state. Other private insurance companies may begin to offer coverage to private sector employers beginning July 1, 2008, and to government employers July 1, 2012. For the most part, all employers in the State, including governmental entities, must have coverage. The cost of all coverage, as determined by Brick Street, is paid by the employers. The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

It is the opinion of the Commission's counsel that there are no pending lawsuits or unasserted claims against the Commission.

C. Deferred Compensation Plan

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held for the exclusive benefit of the participants and their beneficiaries.

D. Other Post-employment Benefits

The Commission provides post retirement health benefits for certain retirees and their dependents. The benefits vary depending on the mount of sick leave accumulated by the retiree.

The St. Albans Municipal Utility Commission applies up to 1,800 hours of unused sick leave that the employee has accumulated as of their retirement date to apply to the premiums of their retirees until all of the retirees' sick leave is used for premiums. The retiree can then choose to pay 100 percent of the premium to continue coverage. The Commission's regular health care providers underwrite the retirees' policies. Retirees may not convert the benefit into an in - lieu payment to secure coverage under independent plans.

IV. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

IV.A.1 Plan Descriptions Contribution Information and Funding Policies

Public Employees Retirement System (PERS)

The Commission participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of general county employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and state appropriations, as necessary.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

	Public Employees Retirement System (PERS)
Eligibility to participate	All full-time employees
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate	4.50%
Board's contribution rate	10.50%
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

IV.B.2. Trend Information

Public Employees Retirement System (PERS)

Fiscal Year	Annual Pension Cost	Percentage Contributed
2009	$ 109,523	100%
2008	$ 95,930	100%
2007	$ 93,648	100%
2006	$ 92,857	100%

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, Building 5, Room 1000, 1900 Kanawha Boulevard East, Charleston, WV 25305.

V. RETIREMENT HEALTH PLAN (RHP)

V.1 Plan Description:

The Commission contributes to the West Virginia Retiree Health Benefits Trust Fund (RHBT), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia, 25305-0710.

V. 2 Authority Establishing the Plan and Funding Policy

Chapter 5, Article 16D of the West Virginia Code assigns the authority to establish and amend benefits and provisions to the RHBT. Plan members are currently required to contribute $164.68 per month per active health policy. Participating employers are contractually required to contribute at a rate assessed each year by RHBT. The RHBT board sets the employer contribution rate based on the annual required contributions of the plan (ARC), and amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The entity's contribution to RHBT for the year ended June 30, 2009, was $267,020, which represents 94% of the required contribution this year.

V.3 Trend Information

West Virginia Retiree Health Benefits Trust Fund (RHBT)

Fiscal Year	Annual OPEB Cost	Percentage Contributed
2009	$ 284,881	94%
2008	$ 101,230	72%

SUPPLEMENTARY INFORMATION

ST. ALBANS MUNICIPALITY UTILITY COMMISSION
SCHEDULE OF RATE COVENANT COMPLIANCE
For the Fiscal Year Ended June 30, 2009

I. The Board of the St. Albans Municipal Utility Commission, West Virginia is subject to rate covenant compliance associated with the issuance of the Series 2008 A Bonds. Specifically, the Commission must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond document as follows:

"... the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System...to provide for all Operating Expenses of the System and. . . to leave a balance each year equal to at least 125% of the maximum amount required in any year for payment of principal and interest on the [bonds]..."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2009.

Rate Covenant

	Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$	1,878,840	$ 1,490,315	126%	125%

As of June 30, 2009, the Commission was in compliance with the provisions of the MBC revenue bond covenant, which require revenues to be 125% or above the amount of the highest principal payment plus interest due in any given year.

The provisions of the MUC revenue bond covenant require that assets to be accumulated in restricted accounts for the payment of future debt service. The covenant requires, at a minimum, that an amount equivalent to one third of the current year's debt service payment be maintained in a revenue account. A reserve account must also be funded with one tenth of one twelfth of the highest debt service payment in any given year.

ACCOMPANYING INFORMATION

Glen B. Gainer III
State Auditor and
Chief Inspector

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Deputy Chief Inspector

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the
St. Albans Municipal Utility Commission
St. Albans, West Virginia 25177

We have audited the financial statements of the St. Albans Municipal Utility Commission (the Commission), as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements and have issued our report thereon, dated June 2, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not prevented or detected by the Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such as opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we have reported to the members of the St. Albans Municipal Utility Commission, in a separate letter dated June 2, 2010.

The Commission's response to findings identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, and the Utility Commission and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer, III
West Virginia State Auditor

June 2, 2010

APPENDIX C

FORM OF BOND ORDINANCE

CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS); AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED)

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Water System

CITY OF ST. ALBANS, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of St. Albans (the "Issuer" or the "City") presently owns and operates, through the City of St. Albans Municipal Utility Commission (the "MUC"), a public combined waterworks and sewerage system (the "System") and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined.

WHEREAS, all of the Prior Bonds were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to acquire, construct and operate extensions, additions, betterments and improvements for the System consisting of replacing aged and deteriorated water distribution mains throughout the system and all necessary appurtenances;

WHEREAS, the Issuer has determined, and does hereby affirm, that the acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the System, is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the City and surrounding areas;

WHEREAS, Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2010, Pub. L. No. 111-5, 123 Stat. 115 (2010) (enacted February 17, 2010) added, among other things, Sections 1400U-1 through 1400U-2 to the Internal Revenue Code of 1986, as amended (the "Code"), authorizing state and local governments at their option to issue "Recovery Zone Economic Development Bonds" as taxable governmental bonds with a direct federal subsidy of a percentage of the interest payments on such bonds;

WHEREAS, the Issuer has determined that the aforementioned acquisition and construction of extensions, additions, betterments and improvements to the waterworks portion of the System should be financed, as provided under the Act, in whole or in part, from the proceeds of revenue bonds to be issued by the Issuer, to pay all or any portion of the costs thereof, and to enact this Ordinance and issue its Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds"), such Series 2010 A Bonds to be secured by and payable from the Net Revenues of the System, and containing such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Series 2010 A Bonds will be issued as Recovery Zone Economic Development Bonds pursuant to Section 1400U-2 of the Code, which permits the issuance of tax-exempt private activity bonds to finance certain "qualified economic development purposes" (as defined in Section 1400U-2(c) of the Code) in a designated "recovery zone" (as defined in Section 1400U-1(b) of the Code);

WHEREAS, the Issuer will designate the Series 2010 A Bonds as Recovery Zone Economic Development Bonds pursuant to the requirements of Section 1400U-2(b)(1)(B) of the Code;

WHEREAS, pursuant to Resolutions adopted by the Issuer on May 3, 2010, the Issuer has (i) designated the entire geographic region of the City as a Recovery Zone pursuant to Section 1400U-1 of the Code, and (ii) found that the Project constitutes a qualified economic development purpose within the meaning of Section 1400U-2 of the Code;

WHEREAS, the Issuer in accordance with West Virginia Senate Bill 4002, applied to the West Virginia Economic Development Authority (the "WVEDA") for recovery zone economic development bond cap allocation to provide Recovery Zone Economic Development Bond financing for the Project, and the WVEDA granted $10,000,000 of recovery zone economic development bond cap allocation for the Project; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2010 A Bonds and Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds")

be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement, (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF ST. ALBANS HEREBY ORDAINS:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2010 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

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

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the MUC, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bondholder," "Holder," "Holder of the Bonds," "Owner of the Bonds," "Registered Owner," or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2010 A Bonds and Series 2010 B Bonds, shall initially mean the bond insurer or bond insurers, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of the Series 2010 A Bonds and Series 2010 B Bonds.

"Bond Year" means with respect to each series of the Series 2010 A Bonds and Series 2010 B Bonds 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.

"Bonds" means, collectively, the Series 2010 Bonds, the Prior Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2010 A Bonds and Series 2010 B Bonds in substantially the form set forth in **EXHIBIT A - SERIES 2010 A BOND FORM** and **EXHIBIT B - SERIES 2010 B BOND FORM** hereto.

"City" or **"Issuer"** means the City of St. Albans, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County thereof, and, where appropriate, the Council, the MUC and any successor thereto.

"Clerk" or "City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder and including the American Recovery and Reinvestment Act of 2010 and such guidance with respect thereto as may be issued by the Internal Revenue Service or Department of the Treasury from time to time.

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

"Consulting Engineers" means Chapman Technical Group, St. Albans, West Virginia or any independent qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2010 A Bonds and Series 2010 B Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System and includes investment income, connection fees, disconnections fees, System use charges and fees, RZEDB Interest Subsidy Payments and all other items of income which have been established as reasonably anticipated annual income of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

"Independent Accountant" means the West Virginia State Tax Department or 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 purpose except keeping the accounts of said System in the normal operations of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing

desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"MUC" shall mean the City of St. Albans Municipal Utility Commission, created by an ordinance of the Issuer, or any successor thereto.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2010 A Bonds and Series 2010 B Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2010 A Bonds and Series 2010 B Bonds, in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2010 A Bonds and Series 2010 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2010 A Bonds and Series 2010 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2010 A Bonds and Series 2010 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 2010 A Bonds and Series 2010 B Bonds.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, 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 of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of 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.

"Ordinance" or **"Bond Ordinance"** regardless of whether preceded by the article ~~the~~" or ~~this~~," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2010 A Bonds and Series 2010 B Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to the Series 2010 Bonds or the Prior Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bonds at or prior to said date; (b) any Bond or Prior Bonds for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds or Prior Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond or Prior Bond, such Bond or Prior Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2010 A Bonds and Series 2010 B Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2000 C Bonds and Series 2008 A Bonds.

"Prior Ordinances" means, collectively, the ordinance of the Issuer authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" means the acquisition and construction of certain additions, betterments and improvements to the System, including the acquisition of the sewerage systems of the Willow Springs system.

"Purchase Price" for the purpose of computation of the Yield of the Series 2010 A Bonds and Series 2010 B Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2010 to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Series 2010 Bonds are privately placed, the price paid by the first buyer of the Series 2010 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2010 Bonds for acquisition thereof, or if later, on the date that Investment Property

constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2010 A Bonds and Series 2010 B Bonds.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Record Date" means the date or dates which shall be so stated in the Series 2010 A Bonds and Series 2010 B Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Recovery Zone Economic Development Bonds" shall mean bonds treated as "Recovery Zone Economic Development" pursuant to the provisions of Section 1400U-2 of the Code.

"RZEDB Interest Subsidy Payments" means payments to be received by the Issuer from the U.S. Department of the Treasury under Code Sections 1400U-2 and 6431 in connection with the payments of interest on the Series 2010 A Bonds or any additional parity Bonds which are Recovery Zone Economic Development Bonds or other similarly designated federal subsidy bonds (including payments received under similar Federal bond subsidy provisions).

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which any of the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2010 A Bonds and Series 2010 B Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

"Series 2000 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, dated April 1, 2000, issued in the aggregate principal amount of $2,500,000.

"Series 2000 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the aggregate principal amount of $16,281,000.

"Series 2000 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the aggregate principal amount of $225,000.

"Series 2008 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking and Trust Company), dated December 3, 2008, issued in the aggregate principal amount of $2,735,000.

"Series 2010 Bonds" means, collectively, the Series 2010 A Bonds and Series 2010 B Bonds.

"Series 2010 Bonds Acquisition and Construction Fund" means the Series 2010 Bonds Acquisition and Construction Fund created by Section 4.01 hereof.

"Series 2010 A Bonds" means the Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2010 A Bonds Costs of Issuance Fund" means the Series 2010 A Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2010 A Bonds Redemption Account" means the Redemption Account created in the Series 2010 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account created in the Series 2010 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 A Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2010 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2010 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2010 A Bonds.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2010 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2010 B Bonds Costs of Issuance Fund" means the Series 2010 B Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2010 B Bonds Redemption Account" means the Redemption Account created in the Series 2010 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 B Bonds Reserve Account" means the Series 2010 B Bonds Reserve Account created in the Series 2010 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2010 B Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2010 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2010 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2010 B Bonds.

"Series 2010 B Bonds Sinking Fund" means the Series 2010 B Bonds Sinking Fund created by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2010 Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2010 Bonds and authorizing the sale of the Series 2010 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

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

"Tax Certificate" means the Issuer's Tax Certificate dated as of the date of issuance of the Series 2010 A Bonds and Series 2010 B Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 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 vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Kanawha County of said State.

B. The Issuer presently owns and operates, through the St. Albans Municipal Utility Commission (the "MUC"), a public combined waterworks and sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the water environment of the project area, that there be acquired and constructed certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of – constructing certain improvements to the existing potable water distribution system and all necessary appurtenances (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A, in the aggregate principal amount of not more than $10,000,000 and its Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B, in the aggregate principal amount of not more than $2,500,000, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2010 A Bonds and Series 2010 B Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account; underwriter's discount, 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; premiums for municipal bond insurance, reserve account insurance or reserve account surety bonds; letter of credit fees; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition and construction of the Project and the placing of same in operation; and the

performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Project is not less than 30 years.

E. It is in the best interests of the Issuer that the Series 2010 Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by supplemental resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); and (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking and Trust Company), dated December 3, 2008, issued in the aggregate principal amount of $2,735,000 (the "Series 2008 A Bonds") (collectively, the "Prior Bonds").

The Series 2010 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2010 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Series 2000 B Bonds and the Series 2000 C Bonds to the issuance of the Series 2010 Bonds on a parity with those Bonds. The Series 2000 A Bonds and Series 2008 A Bonds do not require consent. Prior to issuance of the Series 2010 Bonds, the Issuer shall comply with the provisions of the Prior Ordinances for issuance of the Series 2010 Bonds on a parity with the Series 2010 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 all covenants of the Prior Bonds and Prior Ordinances.

G. The Issuer intends to issue the Series 2010 Bonds and to pledge for payment thereof, from the Net Revenues of the System, on a parity with each other and on a parity with such pledge in favor of the Holders of the Prior Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for the repair, maintenance and operation of the System, the payment of interest upon the Series 2010 Bonds, and the Prior Bonds and to

create sinking funds, as hereinafter provided, to pay the principal on the Series 2010 Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2010 A Bonds, and secure the Series 2010 Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the monies in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account, unexpended proceeds of the Series 2010 A Bonds and Series 2010 B Bonds and as further set forth herein.

J. The Series 2010 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - Series 2010 A BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2010 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT B - Series 2010 B BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2010 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2010 A Bonds and Series 2010 B Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2010 Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a certificate of 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 date of issuance of the Series 2010 Bonds or such final order will not be subject to appeal or rehearing.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2010 Bonds by those who shall own or hold the same from time to time, this Ordinance 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 legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $12,500,000. The proceeds of the Series 2010 Bonds hereby authorized shall be applied as provided herein.

ARTICLE III

THE SERIES 2010 BONDS

Section 3.01. Form and Payment of Bonds. No Series 2010 Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2010 Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2010 Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2010 Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2010 Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2010 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2010 Bonds shall be in default, Bonds issued in exchange for Series 2010 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2010 Bonds surrendered.

The principal of and the premium, if any, on the Series 2010 Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2010 Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2010 Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2010 Bonds are redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2010 Bond in the principal amount of said 2010 Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2010 Bonds shall be executed in the name of the Issuer by the Mayor, by his manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2010 Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2010 A Bonds and Series 2010 B Bonds be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2010 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2010 A Bond, substantially in the form set forth in EXHIBIT A - Series 2010 A BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2010 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2010 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2010 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2010 A Bonds issued hereunder.

No Series 2010 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2010 B Bond, substantially in the form set forth in EXHIBIT B - Series 2010 B BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2010 B Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2010 B Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2010 B Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2010 B Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2010 Bonds shall be, and have all of the qualities and incidents of,

negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said 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, 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 any of the Series 2010 Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2010 Bonds. The Series 2010 Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2010 Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2010 Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2010 Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2010 Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2010 Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2010 Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2010 Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2010 Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and 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 the Issuer and the Registrar

proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2010 Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds.

A. In the event Term Bonds are issued as part of the Series 2010 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2010 A Bonds Redemption Account in accordance with Subsection 4.03(A)(1) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2010 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2010 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2010 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2010 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

B. In the event Term Bonds are issued as part of the Series 2010 B Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2010 B Bonds Redemption Account in accordance with Subsection 4.03(A)(1) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2010 B Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been

redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2010 B Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2010 B Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2010 B Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2010 A Bonds and Series 2010 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, the Original Purchaser, and the registered owner of the Series 2010 Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2010 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be sent to registered securities depositories, nationally recognized municipal securities information repositories and to *Standard & Poor's Called Bond Record.*

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2010 Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2010 Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Series 2010 Bonds, or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2010 Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2010 Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2010 Bonds, and failure to mail

such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2010 A Bonds and Series 2010 B Bonds.

A. For the purposes of paying a portion of the costs of acquisition and construction of improvements and betterments to the waterworks portion of the System, funding the Series 2010 A Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2010 A Bonds of the Issuer, in an aggregate principal amount of not more than $10,000,000. Said Series 2010 A Bonds shall be designated "Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in a Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2010 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2010 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2010 A Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $10,000,000); shall bear interest at such rate or rates, not exceeding the then legally permissible rate (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purposes of paying a portion of the costs of acquisition and construction of improvements and betterments to the waterworks portion of the System, funding the Series 2010

B Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2010 B Bonds of the Issuer, in an aggregate principal amount of not more than $2,500,000. Said Series 2010 B Bonds shall be designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in a Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2010 B Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2010 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2010 B Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $2,500,000); shall bear interest at such rate or rates, not exceeding the then legally permissible rate (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2010 A Bonds and Series 2010 B Bonds.

A. The Series 2010 Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2010 Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2010 Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2010 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2010 Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2010 Bond or any other evidence of ownership of the Series 2010 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2010 Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2010 Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2010 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2010 Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the

Series 2010 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2010 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2010 Bonds so redeemed, but DTC may retain such Series 2010 Bonds and make an appropriate notation on the Series 2010 A Bonds and Series 2010 B Bonds certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2010 Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2010 Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2010 Bonds, selecting the Series 2010 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2010 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2010 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2010 Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2010 Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2010 Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2010 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2010 Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2010 Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2010 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2010 A Bonds and Series 2010 B Bonds.

Section 3.12. Delivery of Series 2010 A Bonds and Series 2010 B Bonds.

A. The Issuer shall execute and deliver the Series 2010 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2010 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2010 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies, certified by the City Clerk, of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinions upon the Series 2010 Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2010 A Bonds and Series 2010 B Bonds. The definitive Series 2010 A Bonds shall be in substantially the form set forth in EXHIBIT A - Series 2010 A BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2010 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2010 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

The definitive Series 2010 B Bonds shall be in substantially the form set forth in EXHIBIT B - Series 2010 B BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2010 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2010 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2010 A Bonds and Series 2010 B Bonds.

A. Upon the issuance and delivery of the Series 2010 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2010 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2010 A Bonds Sinking Fund and applied to payment of interest on the Series 2010 A Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2010 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2010 A Bonds Reserve Account, provided that, to the extent the Series 2010 A Bonds Reserve Requirement is satisfied in whole or in part from a reserve account letter of credit, surety bond or other credit facility, proceeds of the Series 2010 A Bonds shall be deposited in the Series 2010 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2010 A Bonds Reserve Requirement.

3. The amount of Series 2010 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2010 A Bonds shall be deposited with the Depository Bank in the Series 2010 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2010 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2010 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2010 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2010 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2010 A Bonds from which such proceeds are derived.

4. The balance of Series 2010 A Bonds proceeds, if any, shall be deposited in the Series 2010 Bonds Acquisition and Construction Fund and disbursed as provided in Section 3.15 hereof.

B. Upon the issuance and delivery of the Series 2010 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2010 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2010 B Bonds Sinking Fund and applied to payment of interest on the Series 2010 B Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2010 B Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2010 B Bonds Reserve Account, provided that, to the extent the Series 2010 B Bonds Reserve Requirement is satisfied in whole or in part from a reserve account letter of credit, surety bond or other credit facility, proceeds of the Series 2010 B Bonds shall be deposited in the Series 2010 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2010 B Bonds Reserve Requirement.

3. The amount of Series 2010 B Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2010 B Bonds shall be deposited with the Depository Bank in the Series 2010 B Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2010 B Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2010 B Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2010 B Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2010 B Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2010 B Bonds from which such proceeds are derived.

4. The balance of Series 2010 B Bonds proceeds, if any, shall be deposited in the Series 2010 Bonds Acquisition and Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Acquisition and Construction Funds. Disbursements from the Series 2010 Bonds Acquisition and Construction Fund, except for payment of Costs of Issuance of the Series 2010 A Bonds and Series 2010 B Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for acquisition and construction of capital improvements, repairs and replacements for the System, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2010 Bonds Acquisition and Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank; Recovery Zone Economic Development Bonds Covenants and Election. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

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

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

(3) Rebate Fund; and

(4) Series 2010 Bonds Construction Fund

Section 4.02. Establishment of Funds and Accounts with Bond Commission. The following special funds or accounts are hereby created (or continued is established by Prior Ordinances) 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 2000 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 2000 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 2000 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 2000 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 2000 C Bonds Sinking Fund (established by Prior Ordinance);

(6) Series 2000 C Bonds Reserve Account (established by Prior Ordinance).

(7) Series 2008 A Bonds Sinking Fund (established by Prior Ordinance);

(8) Series 2008 A Bonds Reserve Account (established by Prior Ordinance);

(9) Series 2010 A Bonds Sinking Fund;

(10) Series 2010 A Bonds Reserve Account

(11) Series 2010 B Bonds Sinking Fund; and

(12) Series 2010 B Bonds Reserve Account

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2010 A Bonds or Series 2010 B Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on

deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to pay interest on the Prior Bonds; (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2010 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2010 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2010 A Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2010 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2010 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2010 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2010 A Bonds Sinking Fund; and (iii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2010 B Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2010 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2010 B Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2010 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2010 B Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2010 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2010 B Bonds Sinking Fund.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to pay principal on the Prior Bonds; (ii) for deposit in the Series 2010 A Bonds Sinking Fund (and in the Series 2010 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2010 A Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2010 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2010 A Bonds on the next ensuing principal payment or mandatory Redemption Date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2010 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2010 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) for deposit in the Series 2010 B Bonds Sinking Fund (and in the Series 2010 B Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2010 B Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2010 B Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2010 B Bonds on the next ensuing principal payment or mandatory Redemption Date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2010 B Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2010 B Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2010 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds

Reserve Accounts; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2010 A Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2010 A Bonds Reserve Account, as a result of a decrease in value of the Series 2010 A Bonds Reserve Account below the Series 2010 A Reserve Account Requirement or any withdrawal from the Series 2010 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2010 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2010 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2010 A Bonds Reserve Account is less than the Series 2010 A Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2010 A Bonds Reserve Account for deposit into the Series 2010 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2010 A Bonds Reserve Account to an amount equal to the Series 2010 A Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2010 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2010 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2010 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2010 A Reserve Account Requirement; and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2010 B Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 B Bonds Reserve Requirement; provided further, that if the amounts in the Series 2010 B Bonds Reserve Account, as a result of a decrease in value of the Series 2010 B Bonds Reserve Account below the Series 2010 B Reserve Account Requirement or any withdrawal

from the Series 2010 B Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2010 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2010 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2010 B Bonds Reserve Account is less than the Series 2010 B Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2010 B Bonds Reserve Account for deposit into the Series 2010 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2010 B Bonds Reserve Account to an amount equal to the Series 2010 B Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2010 B Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2010 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2010 B Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2010 B Reserve Account Requirement.

Amounts in the Series 2010 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2010 A Bonds when due, when amounts in the Series 2010 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

Amounts in the Series 2010 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2010 B Bonds when due, when amounts in the Series 2010 B Bonds Sinking Fund are insufficient therefor and for no other purpose.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any

Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2010 A Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2010 B Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2010 B Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC 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 municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2010 Bonds, all in accordance with the respective principal amounts then Outstanding.

Section 4.04. Recovery Zone Economic Development Bonds – Authorization and Additional Covenants of the Issuer; Tax Elections.

A. The Issuer covenants and agrees that (1) it will use the proceeds of the Series 2010 A Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Series 2010 A Bonds are issued and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Series 2010 A Bonds or any other funds of the Issuer in any

manner, or take or omit to take any action, that would cause the Series 2010 A Bonds to be "arbitrage bonds" within the meaning of Code Section 148(a).

B. The Issuer covenants and agrees that it will not use any portion of the proceeds of the Series 2010 A Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner (1) that would cause any Series 2010 Aond to be a "private activity bond" within the meaning of Code Section 141(a), or (2) to make or finance a loan to any person other than the State or a political subdivision thereof.

C. The Issuer covenants and agrees that it will pay or provide for the payment from time to time all amounts required to be rebated to the United States pursuant to Code Section 148(f) and the Tax Certificate. This covenant shall survive payment in full or defeasance of the Series 2010 A Bonds. The Tax Certificate may be amended or replaced if, in the opinion of Bond Counsel, such amendment or replacement will not adversely affect the qualification of the Series 2010 A Bonds as Recovery Zone Economic Development Bonds.

D. The Issuer hereby irrevocably elects under Code Section 54AA(d) to treat the Series 2010 A Bonds as "build America bonds." In addition, the Issuer hereby represents that:

(a) The Series 2010 A Bonds are "build America bonds" as defined in Code Section 54AA(d);

(b) The Issuer designates the Series 2010 A Bonds as "Recovery Zone Economic Development Bonds" as defined in Code Section 1400U-2(b) and pursuant to the requirements of Section 1400U-2(b)(1)(B) of the Code.

(c) The maximum aggregate face amount of Series 2010 A Bonds does not exceed the amount of the recovery zone economic development bond limitation allocated to the Issuer.

(d) The Series 2010 A Bonds will be issued prior to January 1, 2011; and

(e) 100 percent of the excess of — (i) the available project proceeds (as defined in Section 54A of the Code) of the Series 2010 A Bonds, over (ii) the amounts in a reasonably required reserve (within the meaning of Section 150(a)(3) of the Code) with respect to the Series 2010 A Bonds, will be used for one or more qualified economic development purposes with respect to the Project.

E. The Mayor is hereby authorized to take such other action as may be necessary to make effective the election contained in this Section and to file any required document with the Internal Revenue Service with respect to the Series 2010 A Bonds.

F. The Issuer certifies and covenants with the Owners of the Series 2010 A Bonds from time to time outstanding that the Issuer through its officers, (a) will make such further specific covenants, representations and assurances as may be necessary or advisable; (b) comply

with all representations, covenants and assurances contained in the Tax Certificate, which Tax Certificate shall constitute a part of the contract between the Issuer and the Owners of the Series 2010 A Bonds; (c) consult with Bond Counsel; (d) pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Series 2010 A Bonds; (e) file such forms, statements and supporting documents as may be required and in a timely manner, and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other person to assist the Issuer in such compliance.

G. The covenants contained in this Section 4.04 shall remain in full force and effect notwithstanding the defeasance of the Series 2010 A Bonds pursuant to Section 9.09 hereof or any other provision of this Ordinance until the final maturity date of all Series 2010 A Bonds.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in 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.

Except as provided below, 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 Issuer 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 Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, annually transfer from the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account to the

respective Sinking Funds any earnings on the monies deposited therein and any other funds in excess of the Series 2010 A Bonds Reserve Requirement and the Series 2010 B Bonds Reserve Requirement, provided, however, that there shall at all times remain on deposit in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account an amount at least equal to the Series 2010 A Bonds Reserve Requirement and Series 2010 B Bonds Reserve Requirement, respectively.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account shall, at any time, be less than the applicable Series 2010 A Bonds Reserve Requirement or the applicable Series 2010 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2010 A Bonds and Series 2010 B Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia ~~"~~consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor and Clerk to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage, Recovery Zone Economic Development Bonds and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2010 Bonds which would cause the Series 2010 A Bonds to be ~~"~~arbitrage bonds" within the meaning of Section 148 of the Code, (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 A Bonds) so that the Series 2010 A Bonds will be Recovery Zone Economic Development Bonds, and (iii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 B Bonds) so that the interest on the

Series 2010 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2010 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall assure preparation of the rebate calculations and the performance of all matters in connection with such rebates. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the Series 2010 A Bonds as Recovery Zone Economic Development Bonds and to maintain the exclusion of interest on the Series 2010 B Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2010 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2010 Bonds or monies in a construction fund, if any, all as herein provided. No Holder or Holders of any Series 2010 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2010 or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues and Monies in Sinking Fund. The payment of the debt service of all of the Series 2010 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds and, in the instance of the Series 2010 A Bonds, all monies and securities in the Series 2010 A Sinking Fund, including the Series 2010 A Bonds Reserve Account therein, in the instance of the Series 2010 B Bonds, all monies and securities in the Series 2010 B Sinking Fund, including the Series 2010 B Bonds Reserve Account therein to the extent necessary to make the payments required under Section 4.03. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2010 Bonds herein authorized, to make the payments into the Series 2010 A Bonds Sinking Fund, all monies and securities in the Series 2010 A Bonds Sinking Fund, including the Series 2010 A Bonds Reserve Account therein, and to make the payments into the Series 2010 B Bonds Sinking Fund, all monies and securities in the Series 2010 B Bonds Sinking Fund, including the Series 2010 B Bonds Reserve Account therein.

Section 6.04. Rates. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Legislation. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted June 7, 2010 and the water rate ordinance of the Issuer dated June 7, 2010, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Legislation. In the event the schedule of rates and charges initially established for the System in connection with the Series 2010 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Prior to the issuance of the Series 2010 Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies 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 created hereunder. Such schedule or schedules of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule 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 120% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 2000 A Bonds are no longer outstanding and amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 Bonds Reserve Accounts and any Reserve Accounts for obligations on a parity with or junior to the Series 2010 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 Bonds.

All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms ~~"~~Gross Revenues" and ~~"~~Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04 hereof.

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 Issuer that less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 6.05. Completion of Project; Operation and Maintenance. The Issuer will complete the Project as promptly as possible. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 6.06. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided by the Prior Ordinances. Additionally, so long as the Series 2010 Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond 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 MUC 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 MUC 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 MUC 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 MUC 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 MUC 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 reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of any applicable Bond Insurer and the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, 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 the Net Revenues with the Series 2010 Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Series 2010 Bonds.

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, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2010 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable.

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

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements to the System, refunding any or all outstanding Bonds to pay claims which may exist against the revenues or facilities of the System, or all such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall so long as any of the Series 2000 A Bonds are outstanding, not be less than 120%, and thereafter, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the additional customers to be connected to the System as a result of additions, extensions and improvements thereto, or from 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 Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity,

regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2008 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2008 A Bonds.

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

No additional bonds, notes, certificates, contracts or any other obligations shall be issued by the City unless no Event of Default shall have occurred and be continuing with respect to the Bonds.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2010 Bonds remain Outstanding, the Issuer or the MUC will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the MUC will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The MUC will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the MUC and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the MUC from claims for bodily injury and/or death and 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 and the MUC from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the MUC, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure, so long as the following requirements are met:

(i) The self-insurance program has been reviewed by an insurance consultant;

(ii) The self-insurance program includes an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an insurance consultant; and any deficiencies in any self-insured claims reserve fund will be remedied in accordance with the recommendation of the insurance consultant;

(iii) The self-insured claims reserve fund shall be held in the United States of America in a separate trust fund by an independent corporate trustee; and

(iv) In the event the current funding of the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by an insurance consultant, shall be maintained.

If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. 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 MUC and such payment bonds will be filed with the Clerk of the County Commission of Kanawha County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

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 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.

Section 6.10. Services Rendered to the MUC or Issuer. The MUC will not render or cause to be rendered any free services of any nature by its System; and, in the event the MUC, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself 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 MUC, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the MUC or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The Issuer or the MUC 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 user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, 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 and facilities of the System and any services and facilities of the Issuer's waterworks system, to all delinquent users of services and facilities of the System and will not

restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus penalty charges for the restoration of service, has been fully paid or an appropriate payment plan has been established.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the MUC will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The MUC will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the MUC or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Series 2010 Bonds, shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the MUC relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the MUC. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the MUC. The MUC 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 MUC shall be reported to such agent of the MUC as it shall direct.

The Issuer or the MUC shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer or the MUC shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System; and

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer or the MUC shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Accountant, shall mail upon request, and make available generally, the report of said Independent Accountant, or a summary thereof, to any Holder or Holders of Series 2010 Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The MUC shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the Issuer, 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. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The MUC shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and the Bond Insurer, if any, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.15. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sewerage portion of the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building and every such owner, tenant or occupant shall, after a 30 day notice of the availability of sewerage services of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected with the sewerage portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2010 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain Municipal Bond Insurance Policies for the Series 2010 Bonds. In the event such Municipal Bond Insurance Policies are obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2010 Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2010 Bonds and any other Bonds which may be insured by such Bond Insurer, and

shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

Section 6.18. **Tax Covenants**. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2010 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2010 Bonds during the term thereof is, under the terms of the Series 2010 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2010 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2010 Bonds during the term thereof is, under the terms of the Series 2010 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2010 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2010 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2010 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Non-purpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2010 Bonds to be ~~"~~federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the Series 2010 A Bonds status as Recovery Zone Economic Development Bonds and to assure the tax-exempt status of the Series 2010 B Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it so that the Series 2010 A Bonds shall be Recovery Zone Economic Development Bonds, and shall not take any actions, or fail to take any actions, the result of which would

adversely affect such status as Recovery Zone Economic Development Bonds. The Issuer shall take any and all actions that may be required of it so that the interest on the Series 2010 B Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions, or fail to take any actions, the result of which would adversely affect such exclusion.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2010 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer; or

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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2010 Bonds, as applicable;

(D) 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2010 Bonds, and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate, 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 Series 2010 Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, 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 Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, 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 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 the Holders of the Series 2010 Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2010 Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2010 Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2010 Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2010 A Bonds and Series 2010 B Bonds, the first exchange of Series 2010 Bonds and the exchange of Series 2010 Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2010 Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2010 Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2010 Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately, provided that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2010 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument, provided that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2010 Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2010 Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2010 Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2010 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2010 Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2010 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2010 Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2010 Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Bondholder or other person, be amended, modified or supplemented in any manner which, in the opinion of Bond Counsel, does not materially adversely affect the interests of the Bondholders or any Bond Insurer, provided that, in the event any of the Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2010 Bonds

then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Series 2010 Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2010 Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2010 Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the

election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2010 Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2010 Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2010 Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER
City of St. Albans
P.O. Box 1488
St. Albans, West Virginia 25177
Attention: Mayor

REGISTRAR
[Name(s) and address(s) to be set forth in Supplemental Resolution]

PAYING AGENT
West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401

Charleston, West Virginia 25301
Attn: Executive Secretary

DEPOSITORY BANK
[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER
Crews & Associates, Inc.
2000 Union National Plaza
124 West Capitol
Little Rock, Arkansas 72201

BOND INSURER
[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the MUC or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2010 Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2010 Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2010 Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Designation of Series 2010 B Bonds as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Series 2010 B Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code and that not more than $30,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Series 2010 B Bonds, have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2010, all as determined in accordance with the Code. For purposes of this

paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefitting thereby shall be treated as one issuer.

Section 10.11. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.12. Table of Contents and Headlines. 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 10.13. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.14. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Charleston Gazette* and/or *Daily Mail*, newspapers published and having a general circulation in the City of St. Albans, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 4th day of October, 2010, at 7:00 p.m., in the Council Chambers of the City Hall, St. Albans and present protests, and that a certified copy of this Ordinance is on file with the City Clerk for review by interested parties during the office hours of the City Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	September 7, 2010
Second Reading:	September 20, 2010
Effective following Public Hearing held on:	October 4, 2010

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

5450387

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of the CITY OF ST. ALBANS at a regular meeting of the City Council held on October 4, 2010, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in the City of St. Albans, the first publication having been not less than 10 days prior to such public hearing as supplemented by Supplemental Resolution duly adopted on December 7, 2010.

[SEAL]

_____
City Clerk

EXHIBIT A - SERIES 2010 A BOND FORM

[DTC Legend]

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for

prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "City of St. Albans Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)" (the "Series 2010 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 A Bonds, and (iii) to pay certain costs of issuance of the Series 2010 A Bonds and related costs. The Series 2010 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2010, and supplemented by a supplemental resolution adopted by said Council on _____, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

[The Series 2010 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by __[Bond Insurer]__.]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED), DATED _____, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2010 B Bonds").

The Series 2010 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20_____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

Should the United States Treasury or any agency of the United States of America at any time cease to remit to the Issuer (or at the Issuer's direction) all or any part of the RZEDB Interest Subsidy Payments, then the right is reserved in the Issuer to redeem and retire all or any part of the principal amount of Series 2010 A Bonds then outstanding in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days written notice by regular United States Mail to the Registered Owners upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20

_____	Year (1)	Principal Amount

Bonds Maturing _____ 1, 20

_____	Year (1)	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Series 2010 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 A Bonds are to be redeemed, the Series 2010 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 A Bond or Series 2010 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 A Bonds or portions of Series 2010 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 A Bonds or portions of Series 2010 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 A Bond.

The Series 2010 A Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 B Bonds, all monies in the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account and said unexpended Series 2010 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds, and Series 2010 B Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 A Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 A Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 A Bonds of which this Series 2010 A Bond is one.

This Series 2010 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 A Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 A Bond to be dated as of the Series 2010 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]

_____

Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2010 A Bond is one of the fully registered Series 2010 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 A Bonds.

Dated: _____, 2010.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT B - SERIES 2010 B BOND FORM

[DTC Legend]

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (BANK QUALIFIED)

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20___ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "City of St. Albans Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B" (the "Series 2010 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2010, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the combined waterworks and sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2010 B Bonds, and (iv) to pay certain costs of issuance of the Series 2010 B Bonds and related costs. The Series 2010 B Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2010, and supplemented by a supplemental resolution adopted by said Council on _____, 2010 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2010 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2010 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of St. Albans, West Virginia.

[The Series 2010 B Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by __[Bond Insurer]__.]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING

BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"); (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS"); AND (IV) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A (BRANCH BANKING AND TRUST COMPANY), DATED DECEMBER 3, 2008, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,735,000 (THE "SERIES 2008 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND (v) TAXABLE-COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS), DATED _____, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2010 A BONDS"). The Series 2010 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20_____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20

_____	Year (1)	Principal Amount

Bonds Maturing 1, 20

	Year (1)	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Series 2010 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2010 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2010 B Bonds are to be redeemed, the Series 2010 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2010 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2010 B Bond or Series 2010 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2010 B Bonds or portions of Series 2010 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2010 B Bonds or portions of Series 2010 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2010 B Bond.

The Series 2010 B Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the Prior Bonds and the Series 2010 A Bonds, all monies in the Series 2010 B Bonds Sinking Fund, and the Series 2010 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2010 B Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the

Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2010 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account and said unexpended Series 2010 B Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2010 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 B Bonds, including the Prior Bonds and the Series 2010 A Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2010 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2010 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2010 B Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2010 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2010 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2010 B Bond, together with all other obligations of said 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 revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2010 B Bonds of which this Series 2010 B Bond is one.

This Series 2010 B 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2010 B Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2010 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2010 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2010 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF ST. ALBANS (West Virginia) has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2010 B Bond to be dated as of the Series 2010 B Bond Date specified above.

[SEAL]

[Manual or facsimile signature]

Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2010 B Bond is one of the fully registered Series 2010 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2010 B Bonds.

Dated: _____, 2010.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

December ___, 2010

City of St. Albans (West Virginia)
Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds)

City of St. Albans
St. Albans, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by the City of St. Albans (West Virginia) (the "Issuer") of its $_____ in aggregate principal amount Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds").

The Series 2010 A 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 20 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted by the Issuer on October 4, 2010, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on December 7, 2010 (collectively, the "Bond Legislation") and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Legislation.

The Series 2010 A Bonds are issued in fully registered form, are dated December ___, 2010, upon original issuance, mature on _____ 1, 20___ in years and amounts and bear interest payable each April 1 and October 1, commencing _____ 1, 2011, as follows:

Bond No.	Maturity Date (December 1)	Principal Amount	Interest Rate	CUSIP No.
AR-1				
AR-2				
AR-3				
.				
.				

The Series 2010 A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Bond Legislation.

15A

The Series 2010 A Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the System; (ii) funding the Series 2010 A Bonds Reserve account; (iii) capitalizing the interest due on the Series 2010 A Bonds to_____ 1, 20___; and (iv) paying the costs of issuance of the Series 2010 A Bonds.

The Series 2010 A Bonds have been sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement dated December ___, 2010, and accepted by the Issuer (the "Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Purchaser and other entities contained in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

The Internal Revenue Code of 1986, as amended, (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2010 A Bonds in order that the Series 2010 A Bonds qualify as "build America bonds" under section 54AA(d) and "qualified bonds" under section 54AA(g) of the Code. We have examined the relevant sections of Tax and Non-Arbitrage Certificate of the Issuer, dated the date hereof (the "Tax and Non-Arbitrage Certificate"), in which the Issuer has made certain elections, representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the qualification of the Series 2010 A Bonds as "build America bonds" under section 54AA(d) and "qualified bonds" under section 54AA(g) of the Code, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2010 A Bonds and the undertaking to timely and properly file the IRS Form 8038-CP, Return for Credit Payments to Issuers of Qualified Bonds. The Tax and Non-Arbitrage Certificate obligates the Issuer to take certain actions necessary in order that the Series 2010 A Bonds qualify as "build America bonds" under section 54AA(d) and "qualified bonds" under section 54AA(g) of the Code. Noncompliance with the requirements of the Code may cause the Series 2010 A Bonds to cease to qualify as "build America bonds" under section 54AA(d) and "qualified bonds" under section 54AA(g) of the Code, retroactively to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The Issuer has covenanted to maintain the Series 2010 A Bonds as "build America bonds" under section 54AA(d) and "qualified bonds" under section 54AA(g) of the Code. In rendering the opinion herein, we have relied upon and assumed (i) the material accuracy of the elections, representations, statements of intention and reasonable expectation and certifications of fact contained in the Tax and Non-Arbitrage Certificate with respect to matters affecting the qualification of the Series 2010 A Bonds as "build America bonds" under section 54AA(d) and "qualified bonds" under section 54AA(g) of the Code, and (ii) compliance by the Issuer with procedures and covenants set forth in the Tax and Non-Arbitrage Certificate as to such tax matters.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer, the Purchaser and other entities pertaining to tax matters set forth in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and with certain certificates delivered in connection with the issuance of the Series 2010 A Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing public corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Continuing Disclosure Agreement and the Purchase Agreement, perform its obligations under the

terms and provisions thereof and to issue and sell the Series 2010 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Purchase Agreement and the Continuing Disclosure Agreement and has issued and delivered the Series 2010 A Bonds to the Purchaser pursuant to the Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement and the Continuing Disclosure Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Series 2010 A Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable and enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

4. Under existing law and subject to the Issuer's compliance with the applicable requirements of the Code, as set forth in the Tax and Non-Arbitrage Certificate, the Series 2010 A Bonds are "build America bonds" under section 54AA(d) and "qualified bonds" under section 54AA(g) of the Code, and the federal tax credit under section 6431 of the Code for interest on such Series 2010 A Bonds is payable to the Issuer (or a qualified designee), provided the Issuer complies with applicable procedures for claiming the credit and subject to offset for other amounts payable to the federal government by the Issuer. Failure of the Issuer to comply with the applicable requirements could result in the Series 2010 A Bonds failing to be "build America bonds" under section 54AA(d) or "qualified bonds" under section 54AA(g) with a resulting loss of the federal tax credit under section 6431 of the Code retroactively to the extent of applicable periods of limitations. We express no opinion regarding other tax consequences arising with respect to the Series 2010 A Bonds except as expressly set forth in paragraph 5.

5. Under the Act, the Series 2010 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2010 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Series 2010 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2010 A Bonds, to register any securities under said Securities Acts.

7. The Series 2010 A Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (1) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the original aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the original aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the original aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking & Trust Company), dated December 3, 2008, issued in the original aggregate

principal amount of $2,735,000 (the "Series 2008 A Bonds"), (collectively, the "Prior Bonds"); and (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified), dated December ___, 2010, issued simultaneously herewith in the original aggregate principal amount of $_____ _____, (the "Series 2010 B Bond"); all in accordance with the terms of the Series 2010 A Bonds and the Bond Legislation.

It is to be understood that the rights of the holders of the Series 2010 A Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2010 A Bonds, the Bond Legislation, the Continuing Disclosure Agreement and the Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond Nos. AR-1 through AR-____ of said issue, and in our opinion, said Series 2010 A Bonds are in proper form and have been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

858350.00006

December ___, 2010

City of St. Albans (West Virginia)
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

City of St. Albans
St. Albans, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by the City of St. Albans (West Virginia) (the "Issuer") of its $_____ in aggregate principal amount Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds").

The Series 2010 B 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 20 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted by the Issuer on October 4, 2010, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on December 7, 2010 (collectively, the "Bond Legislation") and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Legislation.

The Series 2010 B Bonds are issued in fully registered form, are dated December ___, 2010, upon original issuance, mature on _____1, 20___ in years and amounts and bear interest payable each April 1 and October 1, commencing _____1, 20___, as follows:

Bond No.	Maturity Date (December 1)	Principal Amount	Interest Rate	CUSIP No.
BR-1				
BR-2				
BR-3				
.				
.				
.				

The Series 2010 B Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Bond Legislation.

The Series 2010 B Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the System; (ii) funding the Series 2010 B Bonds Reserve account; (iii) capitalizing the interest due on the Series 2010 B Bonds; and (iv) paying the costs of issuance of the Series 2010 B Bonds.

The Series 2010 B Bonds have been sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement dated December ___, 2010, and accepted by the Issuer (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Purchaser and other entities contained in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer, the Purchaser and other entities pertaining to tax matters set forth in the Bond Legislation, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and with certain certificates delivered in connection with the issuance of the Series 2010 B Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing public corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Continuing Disclosure Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2010 B Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Bond Purchase Agreement and the Continuing Disclosure Agreement and has issued and delivered the Series 2010 B Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement and the Continuing Disclosure Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Series 2010 B Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable and enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2010 B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. In addition, interest on the Series 2010 B Bonds is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The

opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Series 2010 B Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2010 B Bonds set forth in the Bond Legislation, and the Tax and Non-Arbitrage Certificate. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2010 B Bonds to be includable in gross income retroactive to the date of issuance of the Series 2010 B Bonds. We express no opinion regarding other tax consequences arising with respect to the Series 2010 B Bonds except as expressly set forth in paragraph 5.

5. Under the Act, the Series 2010 B Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2010 B Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Series 2010 B Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2010 B Bonds, to register any securities under said Securities Acts.

7. The Series 2010 B Bonds have been duly authorized, issued, executed and delivered by the Issuer 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: (1) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the original aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the original aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the original aggregate principal amount of $225,000 (the "Series 2000 C Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (Branch Banking and Trust Company), dated December 3, 2008, issued in the original aggregate principal amount of $2,735,000 (the "Series 2008 A Bonds"); (collectively, the "Prior Bonds"); and (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), dated December ___, 2010, issued simultaneously herewith in the original aggregate principal amount of $_____, (the "Series 2010 A Bonds"); all in accordance with the terms of the Series 2010 B Bonds and the Bond Legislation.

8. The Issuer has designated the Series 2010 B Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

It is to be understood that the rights of the holders of the Series 2010 B Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2010 B Bonds, the Bond Legislation, the Continuing Disclosure Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond Nos. BR-1 through BR-___ of said issue, and in our opinion, said Series 2010 B Bonds are in proper form and have been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

858350.00006

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is by and between the City of St. Albans (the "City") and United Bank, Inc., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $8,270,000 City of St. Albans, Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds") and $150,000 City of St. Albans, Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds" and, together with the Series 2010 A Bonds, the "Series 2010 Bonds". The Bonds are being issued pursuant to the Ordinance enacted by the City Council of the City on October 4, 2010 (the "Ordinance"), as supplemented and amended by a Supplemental Parameters Resolution adopted by the City Council of the City on December 6, 2010 (the "Supplemental Resolution" and together with the Original Ordinance, the "Ordinance"). The City and Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of Agreement. The Agreement is being executed and delivered by the City and Dissemination Agent for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriters in complying with SEC Rule 15c2-l2(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated December 17, 2010, which apply to any capitalized term used in the Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the City, provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, which Annual Financial Information shall include Audited Financial Statements if available on the Report Date, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the City's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the current Mayor of the City.

"Dissemination Agent" shall initially mean United Bank, Inc. or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access System described in the 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of the Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C. the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, effective as of July 1, 2009.

"Participating Underwriter" shall mean the original underwriter of the Bonds who is required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of the Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the City's fiscal year (presently June 30) (the "Due Date"), commencing with the report for the Fiscal Year ended June 30, 2010, provide to EMMA Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of the Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of the Agreement. The City shall provide the Dissemination Agent with a copy of each report filed under the Agreement. If the City's fiscal year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5(a). The Dissemination Agent shall send written notice to the City thirty days prior to the Due Date of the Annual Financial Information and Audited Financial Statements that such information is due by the Due Date.

(b) Not later than fifteen (15) Business Days prior to the Due Date, the City shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent. If by the Due Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If the Dissemination Agent is unable to

provide to EMMA its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall file a report with the City certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to the Agreement and the date provided.

SECTION 4. Content of Annual Financial Information. Within one hundred eighty (180) days of the City's 2010 Fiscal year-end, and each subsequent fiscal year, the Dissemination Agent shall submit to EMMA information and data of the City for the prior fiscal year, including the Audited Financial Statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2010 Bonds, or other material events affecting the tax status of the security;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the City[1];

13. the consummation of a merger, consolidation or acquisition involving the City, or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Dissemination Agent within two (2) business days.

(d) If the City determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the City received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the City shall promptly file with the Dissemination Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the City determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the City shall so notify the Dissemination

[1] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA with a copy to the City. The Dissemination Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The City's obligations under the Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as Dissemination Agent. The City may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of the Agreement, the City may amend the Agreement, and any provision of the Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Agreement, the City shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in

preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in the Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by the Agreement. If the City chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by the Agreement, the City shall have no obligation under the Agreement to update such information or include it is any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the City or Dissemination Agent to comply with any provision of the Agreement (and, at the request of the Original Purchaser), the Dissemination Agent may or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent to comply with its obligations under the Agreement. A default under the Agreement shall not be deemed an Event of Default under the Ordinance, and the sole remedy under the Agreement in the event of any failure of the City or Dissemination Agent to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination. The Dissemination Agent shall have only such duties as are specifically set forth in the Agreement, and the City agrees to the extent allowed by State law to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the City: City of St. Albans, West Virginia
P.O. Box 1428
St. Albans, WV 26555

To the Dissemination Agent: United Bank, Inc.
500 Virginia Street, East
Charleston, WV 25301

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. The Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Fees. The City agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the City.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

Date: December 23, 2010

CITY OF ST. ALBANS

By: _____
Mayor

UNITED BANK, INC., as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of St. Albans (West Virginia)

Name of Issue: $8,270,000 City of St. Albans, Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) and $150,000 City of St. Albans, Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified)

Date of Issuance: December 23, 2010

Notice is hereby given that the City has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The City anticipates that the Annual Report will be filed by _____.

Dated this _____.

CITY OF ST. ALBANS

By: _____
Its: Mayor

$8,270,000
CITY OF ST. ALBANS (WEST VIRGINIA)
TAXABLE-COMBINED WATERWORKS AND
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)
and
$150,000
CITY OF ST. ALBANS (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 B (BANK QUALIFIED)

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Crews & Associates, Inc. (the "Underwriter") that he is the duly elected and acting Mayor of the City of St. Albans (the "City"), authorized to execute and deliver this Certificate and further certifies on behalf of the City to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the City's Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) and Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (collectively, the "Bonds").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated December 10, 2010, setting forth information concerning the Bonds and the issuer of the Bonds (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter and other terms of the Bonds and any underlying obligations depending on such matters, all with respect to the Bonds and any underlying obligations.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final bond purchase agreement, any event occurs as a result of which the Preliminary Official Statement might include an 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, the City shall promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 23rd day of December, 2010.

CITY OF ST. ALBANS

By: _____
Mayor

$8,270,000
CITY OF ST. ALBANS (WEST VIRGINIA)
TAXABLE-COMBINED WATERWORKS AND
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)
and
$150,000
CITY OF ST. ALBANS (WEST VIRGINIA)
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CITY OF ST. ALBANS

By: _____
Mayor

$8,270,000
CITY OF ST. ALBANS (WEST VIRGINIA)
TAXABLE-COMBINED WATERWORKS AND
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)
and
$150,000
CITY OF ST. ALBANS (WEST VIRGINIA)
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SERIES 2010 B (BANK QUALIFIED)

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(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter and other terms of the Bonds and any underlying obligations depending on such matters, all with respect to the Bonds and any underlying obligations.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final bond purchase agreement, any event occurs as a result of which the Preliminary Official Statement might include an 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, the City shall promptly notify the Underwriter thereof.

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IN WITNESS WHEREOF, I have hereunto set my hand as of the 23rd day of December, 2010.

CITY OF ST. ALBANS

By: _____
Mayor

$8,270,000
City of St. Albans (West Virginia)
Taxable-Combined Waterworks and Sewerage System Revenue Bonds
Series 2010 A (Recovery Zone Economic Development Bonds)
and
$150,000
City of St. Albans (West Virginia)
Combined Waterworks and Sewerage System Revenue Bonds
Series 2010 B (Bank Qualified)

BOND PURCHASE AGREEMENT

December 17, 2010

City of St. Albans
51 Sixth Avenue
St. Albans, West Virginia 25177

Ladies and Gentlemen:

Crews & Associates, Inc. (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement with the City of St. Albans (the "Issuer") for the sale by the Issuer and the purchase by the Underwriter of the Issuer's Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) in the aggregate principal amount of $8,270,000 and Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) in the aggregate principal amount of $150,000 (collectively, the "Bonds") described herein and in the Official Statement (defined herein), which are being issued by the Issuer. Upon your acceptance of this offer and your execution and delivery of this Bond Purchase Agreement (hereinafter referred to as the "Bond Purchase Agreement"), this Bond Purchase Agreement will be binding upon you and the Underwriter. This offer is made subject to your acceptance, evidenced by your execution and delivery of this Bond Purchase Agreement to the Underwriter, at or prior to 11:30 p.m., New York, New York time, on the date hereof, and will expire if not so accepted at or prior to such time (or such later time as the Underwriter may agree to in writing).

1. Definitions. The capitalized terms used in this Bond Purchase Agreement shall have the meanings assigned to them herein or, if not defined herein, shall have the meanings set forth in the Bond Ordinance enacted by the Issuer on October 4, 2010 (the "Ordinance"). This Bond Purchase Agreement, the Official Statement, the Preliminary Official Statement, the Tax Regulatory Agreement and the Continuing Disclosure Certificate are sometimes herein referred to as the "Bond Documents."

2. Closing. Delivery and acceptance of the Bonds and payment therefor (the "Closing") will take place in Charleston, West Virginia, at the offices of Steptoe & Johnson

PLLC, Chase Bank Center, 7th Floor, on December 23, 2010 (the "Closing Date") by 1:00 p.m. or at such other place or time as may be mutually agreed upon by you and the Underwriter. The Bonds will be available in definitive form at the offices of The Depository Trust Company (or the Registrar, if "DTC-Fast" delivery is used) not less than twenty-four hours prior to the Closing Date.

3. Purchase and Sale.

3.1 Subject to the terms and conditions set forth in this Bond Purchase Agreement, and upon the basis of the representations hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter when, as and if issued, all (but not less than all) of the Bonds identified in Exhibit A attached hereto for a total purchase price equal to the Net Purchase Price set forth in Exhibit A, in immediately available funds.

3.2 The Bonds will (i) be issued pursuant to the Ordinance and (ii) have the payment related terms (that is, dated dates, principal or issuance amounts, maturity dates, interest rates and yield to maturity) set forth in Exhibit A attached hereto, and will otherwise correspond to the description thereof contained in the Official Statement referred to in Section 3.3.

3.3 Within seven business days of its acceptance hereof, the Issuer shall deliver to the Underwriter a reasonable number of copies of a final Official Statement of the Issuer of even date herewith, executed by the Issuer (the "Official Statement"). The Official Statement shall be in substantially the same form as that of the Preliminary Official Statement of the Issuer dated December 10, 2010 (the "Preliminary Official Statement"), previously distributed with respect to the Bonds.

4. Concurrent Matters.

4.1 Your acceptance, execution and delivery of this Bond Purchase Agreement will constitute your acknowledgment that the Underwriter (a) proposes to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement (which such initial offering prices or yields may be changed by the Underwriter, in its sole discretion), (b) may effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and may discontinue such stabilizing, if commenced, at any time and (c) may change the offering prices of the Bonds from time to time and may offer the Bonds to certain dealers and others at prices lower than the public offering prices shown on the front cover (or inside front cover) of the Official Statement.

4.2 Your acceptance, execution and delivery of this Bond Purchase Agreement will constitute (i) your consent and authorization to the use by the Underwriter, in connection with the public offering and sale of the Bonds, of copies of the Official Statement and the information, contained therein, and (ii) your ratification of the use by the Underwriter, in connection with such offering and sale, of the Preliminary Official Statement and the information contained therein.

5. Representations and Warranties.

5.1 The Issuer hereby makes the following representations and warranties to the Underwriter:

(a) The Issuer is a political subdivision of the State of West Virginia and authorized to issue the Bonds pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act").

(b) On October 4, 2010, the Issuer enacted the Ordinance, and since that time the Ordinance has not been rescinded, amended or modified.

(c) When delivered to the Underwriter against payment therefor in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated, issued and delivered.

(d) The execution and delivery by the Issuer of the Bond Documents and the consummation by the Issuer of the transactions contemplated thereby are not prohibited by, do not violate any provision of, and will not result in the breach of or default under the Act, or, to its knowledge, any applicable law, rule, regulation, judgment, decree, order or other requirement, or any material contract, indenture, agreement or commitment to which the Issuer is a party or by which it is bound.

(e) The Issuer is not in breach of or in default under any existing law, court or administrative regulation, judgment, decree, order, agreement, mortgage, lease, loan agreement or other instrument to which it is a party or by which it is bound. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Bond Documents or any other agreement or instrument to which the Issuer is a party, or by which it may be bound or to which any of its property is or may be subject.

(f) The Issuer has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement and in the Ordinance and the approval of the Official Statement, the Ordinance and the Bonds, and (ii) the execution, delivery and receipt of the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated in the Bond Documents.

(g) The information contained in the Preliminary Official Statement and the Official Statement relating to the Issuer and its properties, operations and financial and other affairs, including Appendices A and B, and the project being refinanced with proceeds of the Bonds, is true and correct in all respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(h) Except as may be described in the Preliminary Official Statement and the Official Statement, there is no legal action, or other proceeding, or any investigation or inquiry (before or by

any court, agency, arbitrator or other entity or person) pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or any of its officials, in their respective capacities as such, which would restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Revenues pledged under the Ordinance or in any way would contest or affect the organization or existence of the Issuer or the entitlement of any officials of the Issuer to their respective offices or which may reasonably be expected to have a material and adverse effect upon (A) the due performance by the Issuer of the transactions contemplated by the Bond Documents, (B) the validity or enforceability of the Bonds, the Ordinance, the Bond Documents, or any other agreement or instrument to which the Issuer is a party and that is used or contemplated for use in consummation of the transactions contemplated hereby and thereby or (C) the exclusion of the interest on the Bonds from gross income for federal income tax purposes and the exemption from State income taxation of the Bonds and interest thereon as set forth in the Official Statement. The Issuer is not is subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that may reasonably be expected to have such an effect.

(i) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is an issuer whose arbitrage certifications may not be relied upon.

(j) The Bond Documents, when executed and delivered, by the Issuer, will be, and this Bond Purchase Agreement constitutes, the legal, valid and binding obligations of the Issuer, enforceable in accordance with their terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and as to the availability of equitable remedies.

(k) When the Bonds are issued, sold and delivered to the Underwriter, the representations and certifications of the Issuer herein and in the other Bond Documents will be true, accurate and complete.

(l) The audited financial statements and other financial information of the City of St. Albans for the year ended June 30, 2009, contained in the Preliminary Official Statement and the Official Statement as Appendix B, present fairly the financial position of the Issuer at the date indicated and the results of operations for the period specified, and such financial statement; have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved, except as otherwise stated in the notes thereto.

(m) Since June 30, 2009, there has been no material adverse change in the financial position or results of operations of the Issuer, nor has the Issuer incurred any material liabilities except as set forth in the Preliminary Official Statement and the Official Statement or disclosed to the Underwriter in writing.

(n) The Issuer deems the Preliminary Official Statement to be final as of its date in accordance with subsection (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Issuer deems the Official Statement to be final and complete as of its date for purposes of subsection (b)(3) of such Rule.

(o) Except as described in the Official Statement and Preliminary Official Statement, the Issuer is in compliance with all continuing disclosure agreements or certificates heretofore delivered by the Issuer in connection with the issuance of any Prior Bonds.

6. Covenants.

6.1 The Issuer hereby makes the following covenants with the Underwriter:

(a) The Issuer will not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter.

(b) Prior to the Closing Date, the Issuer will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of, the Ordinance or the Bond Documents without the prior written consent of the Underwriter.

(c) Prior to the Closing Date, the Issuer will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interest which will be pledged pursuant to the Ordinance or the Bond Documents.

(d) The Issuer will promptly advise the Underwriter of any matter arising or occurring or discovered before Closing or within 90 days after the end of the underwriting period for the Bonds (within the meaning of Rule 15c2-12 under the Exchange Act) that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of a material fact contained in the Official Statement.

(e) If as the result of any matters described in paragraph (d) of this Section it becomes necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement to make the statements contained therein, in light of the circumstances under which they were made, not misleading, the Issuer will, upon notice thereof, promptly prepare and furnish to the Underwriter (at the expense of the Issuer) a reasonable number of copies of an amendment of, or a supplement to, the Official Statement (in form and substance satisfactory to the Underwriter) so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) Except as disclosed in the Official Statement, prior to the Closing Date, the Issuer will obtain or cause to be obtained all governmental consents, approvals, orders or authorizations (other than state securities law clearances) of any governmental authority or agency that would constitute a condition precedent to the performance by Issuer of its obligations under the Ordinance, the Bond Documents or the Bonds.

(g) The Issuer will not voluntarily undertake any course of action inconsistent with the satisfaction of the requirements applicable to it as set forth in the Bond Documents.

(h) The Issuer will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter might designate, the cost of which will be borne by the Underwriter, as provided in Section 10.2(iii) below.

(i) The Issuer will not, except as required by law, take or omit to take any action which, under existing law, adversely affects the exemption from federal income taxation of the interest on the Bonds, or adversely affects the West Virginia State tax exemptions with respect to the Bonds and the interest thereon, as set forth in the Official Statement.

(j) The Issuer agrees to comply with all provisions of the Continuing Disclosure Certificate.

(k) The Issuer acknowledges that the Underwriter is not a fiduciary to the Issuer, is a separate principal to this transaction and owes no fiduciary duty to the Issuer.

7. Conditions of Closing.

7.1 The obligations of the Underwriter to consummate the transactions contemplated hereby are subject to receipt by the Underwriter of the items described in Section 7.2 hereof and to the satisfaction (unless waived by the Underwriter in its sole discretion) of the following conditions:

(a) The representations and warranties made by the Issuer in this Bond Purchase Agreement shall be true and correct as of the Closing Date as if made on such date.

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Bond Purchase Agreement to be performed or complied with prior to closing.

(c) The Bond Documents each shall have been executed and delivered by each of the parties thereto, shall be in full force and effect on and as of the Closing Date and shall not have been amended, modified or supplemented prior to the Closing Date except as may have been agreed to in writing by the Underwriter.

(d) The proceeds of the sale of the Bonds shall be applied as described in the Official Statement.

7.2 In addition to the conditions set forth in Section 7.1, the obligations of the Underwriter to consummate the transactions on the Closing Date contemplated hereby are subject to receipt by the Underwriter of the following items:

(a) An approving opinion of Steptoe & Johnson PLLC, Bond Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date with respect to the validity and tax-exempt nature of the Bonds, and a supplementary opinion of Bond Counsel, dated the date of Closing, addressed to the Underwriter, to the effect that: (i) this Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer, (ii) the Official Statement has been duly approved, signed and delivered by the Issuer, (iii) assuming due authorization, execution and

delivery by the other parties thereto, the Bond Documents have been duly authorized, executed, acknowledged and delivered by the Issuer, and are legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms (except as enforcement of remedies may be limited by bankruptcy, insolvency or other laws and equitable principles affecting the right of creditors), (iv) the statements contained in the Official Statement under the captions "Introduction," "The Series 2010 A Bonds," "Security for the Series 2010 A Bonds," "Bond Ordinance," "Tax Matters," and "Appendix D - Form of Opinion of Bond Counsel" do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, and (v) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(b) An opinion Steptoe & Johnson PLLC, Special Counsel to the Issuer, addressed to, among others, Bond Counsel and the Underwriter, in form and substance satisfactory to Bond Counsel and the Underwriter, dated the Closing Date, to the effect that: (i) no litigation is pending or, to his knowledge, threatened (a) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Revenues pledged under the Ordinance, (b) in any way contesting the power or the authority of the Issuer for the issuance of the Bonds or the validity of the Bonds, or the Bond Documents, (c) in any way contesting the existence or powers of the Issuer relating to the issuance of the Bonds, (ii) to the best of his knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to disclose therein in order to make the statements and information therein with respect to the Issuer not misleading in any material respect, (iii) the Issuer is a body corporate and politic (constituting a governmental agency of the State and existing under the provisions of the Act, pursuant to which the Issuer has full legal right, power and authority to enter into the Bond Documents and each constitutes the legal, valid and binding agreement of the Issuer enforceable in accordance with its respective terms (subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and to general principles of equity), and compliance with the provisions of each thereof will not conflict with or constitute a violation or breach of or default under any existing law or administrative rule or regulation, or any court order or decree or any agreement, contract or other instrument, to which the Issuer is party or otherwise subject or bound, (v) the Official Statement has been duly approved, executed and delivered by the Issuer, and (vi) the statements contained in the Official Statement under the captions "Financing Plan," "Absence of Material Litigation," "Management's Discussion," and "Continuing Disclosure" (as such information pertains to the Issuer) (do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(c) An opinion of Goodwin & Goodwin, LLP, Counsel to the Underwriter, in form and substance satisfactory to the Underwriter.

(d) A certificate of the Issuer, dated the Closing Date, signed by the Mayor of the Issuer to the effect that (i) the representations and warranties made by the Issuer in this Bond Purchase Agreement are true and correct as of the Closing Date with the same effect as if made on the Closing Date; (ii) the Issuer has performed and complied with all agreements and conditions

required by this Bond Purchase Agreement to be performed or complied with by it at or prior to the Closing Date; (iii) since the respective dates as of which information is given in the Official Statement, and except as set forth therein, there has not been any material or adverse change in the Issuer's condition, financial or otherwise; (iv) the Official Statement, insofar as it relates to the Issuer, does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) that subsequent to June 30, 2009, the date of the City of St. Albans's most recent audited financial statements included as Appendix B of the Official Statement, there has been no material adverse change in the financial position or results of operations of the Issuer, (vi) that no litigation is pending or, to the knowledge of the Issuer, threatened against the Issuer or its officials (A) to restrain or enjoin issuance or delivery of any of the Bonds or the collection of Revenues pledged under the Ordinance, (B) in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds, or the Bond Documents, (C) in any way contesting or affecting the existence or powers of the Issuer or its ability to perform its obligations under the Bond Documents, or (D) that may materially adversely affect the financial condition or operations of the Issuer, (vii) that the Issuer has satisfied all conditions pertaining to the issuance of the Bonds pursuant to the Ordinance and all other applicable provisions, and (viii) that no event affecting the Issuer or the transactions contemplated by the Official Statement or the Bond Documents has occurred since the date of the Official Statement which should be disclosed in the Official Statement 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 therein, in the light of the circumstances under which they were made, not misleading.

(e) A Certificate dated as of the Closing Date signed by the authorized officials of the Issuer, sufficient in form and substance to show to the satisfaction of Bond Counsel and the Underwriter that the Bonds will not be arbitrage bonds under Section 148 of the Code and the regulations thereunder, which certificate shall conform to the requirements of said regulations.

(f) A certified copy of the Ordinance authorizing the execution and delivery by the Issuer of the Bond Documents, certified by its Secretary.

(g) One executed original of each of the Bond Documents.

(h) The executed IRS Form 8038-G to be filed with the Internal Revenue Service.

(i) Such additional legal opinions, certificates and other documents as the Underwriter or Bond Counsel reasonably may deem necessary to evidence the truth and accuracy as of the Closing Date of the representations and warranties of the Issuer herein contained and of the Official Statement, and to evidence compliance by the Issuer with this Bond Purchase Agreement and all applicable legal requirements, and the due performance and satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by either of them.

7.3 If any of the conditions set forth in Section 7.1 or 7.2 has not been met on the Closing Date, the Underwriter may, in its sole discretion, terminate this Bond Purchase Agreement or proceed to Closing upon waiving any rights under this Bond Purchase Agreement with respect to

any such condition. If this Bond Purchase Agreement is terminated pursuant to this Section, neither party will have any rights or obligations to the other, except as provided in Sections 10 and 11 herein.

8. Actions and Events at the Closing. The following events will take place at closing:

(a) The Issuer will direct the Registrar to authenticate and deliver the Bonds to the Underwriter, at the place established pursuant to Section 2 herein. Each of the Bonds so delivered will be in definitive form or, with the consent of the Underwriter, in temporary form, duly executed on behalf of the Issuer, in denominations or maturity amounts of five thousand dollars ($5,000) or any integral multiple thereof, and will be fully registered in such names and amounts as the Underwriter will request at least four (4) business days prior to the Closing Date. In the event the Bonds are delivered in temporary form, the Issuer shall deliver the Bonds in definitive form on such date as the Underwriter may reasonably require.

(b) The Issuer will deliver or cause to be delivered at Closing to the Underwriter the documents described in Section 7.2 hereof.

(c) The Underwriter will deliver to the Depository Bank, for the account of the Issuer, immediately available funds in an amount equal to the purchase price of the Bonds set forth as the Net Purchase Price in Exhibit A hereto.

9. Termination of Bond Purchase Agreement. The Underwriter may terminate this Bond Purchase Agreement without liability therefor (except as provided under Section 10) by noticing the Issuer at any time at or prior to the Closing if:

(a) Any legislation is introduced in, or enacted by, the United States Congress, or shall have been reported out of committee, or any decision is rendered by any court of competent jurisdiction or any ruling or regulation, temporary regulation, release or announcement shall have been issued or proposed by the Treasury Department of the United States, the Internal Revenue Service, or any other agency of the government of the United States that, in the reasonable opinion of the Underwriter, has the purpose or effect of subjecting interest on the Bonds to inclusion in gross income for federal income tax purposes or has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(b) Any legislation, ordinance, rule or regulation is introduced in, or enacted by, any governmental body, department or agency of the State of West Virginia, or shall have been reported out of committee, or a decision by any court of competent jurisdiction within the State of West Virginia is rendered, that, in the reasonable opinion of the Underwriter, has the purpose or effect of subjecting the Bonds or the interest thereon to West Virginia State income taxation or otherwise has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(c) Any other action or event shall exist or have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal or West Virginia income tax consequences of the transactions contemplated by the Official Statement, and in the reasonable

opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale at the contemplated offering prices by the Underwriter of the Bonds;

(d) Any fact exists or any event occurs that, in the reasonable opinion of the Underwriter, makes untrue or incorrect in any material respect any statement or information in the Official Statement or causes the Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading for the purposes for which the Official Statement is to be used;

(e) Any amendment of or supplement to the Official Statement is distributed (whether or not such amendment or supplement was approved by the Underwriter prior to its distribution) which, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(f) There shall have occurred any outbreak, continuation or resumption of hostilities, whether declared or undeclared, or other national or international calamity or crisis, which, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(g) Any legislation is introduced in, or enacted by the United States Congress, or any action is taken by, or on behalf of, the Securities and Exchange Commission, that in the opinion of the Underwriter has the effect of requiring (i) the registration of a security under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended, in connection with the offering and sale of the Bonds or (ii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Bond Purchase Agreement, the Official Statement, or the other Bond Documents, which cannot, without undue expense, be obtained prior to the Closing Date;

(h) There shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium is declared by the United States or by the State of West Virginia authorities, that, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices; or

(i) Any fact exists or any event occurs that is not disclosed in the Preliminary Official Statement, which after disclosure in the Official Statement affects the ability of the Underwriter to sell the Bonds at the contemplated offering prices.

10. Expenses.

10.1 The Issuer will pay or cause to be paid from proceeds of the Bonds or otherwise (i) fees and expenses of bond counsel, counsel to the Issuer, and Underwriter's counsel; (ii) initial fees of the Registrar and Paying Agent; (iii) fee for obtaining "CUSIP Numbers" for the Bonds; and (iv) any other costs and expenses of the issue not set forth in Section 10.2 below.

10.2 The Underwriter will pay (i) sales commissions associated with marketing the Bonds; (ii) costs of qualification of the Bonds for sale under the securities or "Blue Sky" laws of various jurisdictions; (iii) initial fees relating to The Depository Trust Company; and (iv) costs and expenses incurred by the Underwriter in connection with the preparation, offering and distribution of the Bonds, including but not limited to advertising, local and long distance telephone, and travel expenses, as well as management fees in connection with such offering.

10.3 In the event that the Issuer or the Underwriter shall have temporarily paid obligations of the other as set forth in this Section, appropriate adjustments will promptly be made.

10.4 Nothing herein will limit the rights of the Issuer to take action against the Underwriter for default of its responsibilities hereunder or for its actions or inactions regarding the matters contemplated herein.

11. Indemnification.

11.1 To the extent permitted by the laws of the State, the Issuer agrees to indemnify and hold harmless the Underwriter, each director, officer, attorney, agent or employee of the Underwriter, and each person, if any, who controls the Underwriter within the meaning of the Securities Act of 1933, as amended, or within the meaning as determined by the Office of the Comptroller of the Currency (each hereafter, an "Indemnified Party"), from and against all losses, claims, damages, liabilities, settlements and expenses, joint or several, to which each Indemnified Party may become subject, under federal laws or regulations or otherwise, insofar as such losses, claims, damages, liabilities, settlements and expenses, or actions in respect thereof (i) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact pertaining to the Issuer as set forth in the Official Statement, or any amendment or supplement thereto, or the Preliminary Official Statement, or arise out of or are based upon the omission or alleged omission to state therein a material fact pertaining to the Issuer required to be stated therein or necessary to make the statements therein not misleading, or (ii) arise out of or are based upon any claim that the issuance of the Bonds violated any requirements contained in pre-existing bond documents, and the Issuer will assume the defense of any action against any Indemnified Party based upon allegations of any such loss, claim, damage, liability or action, including the retaining of counsel approved by the Indemnified Party (which approval shall not be unreasonably withheld) and the payment of counsel fees and all other expenses relating to such defense, provided, however, that each Indemnified Party may retain separate counsel in any such action and may participate in the defense thereof (at its expenses, unless the retention of such counsel has been specifically authorized by the Issuer); and provided further, that the Issuer will not be liable to the Underwriter or any Indemnified Party related to it, in any such case to the extent that any such loss, claim, damage, liability and expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in any such documents under the caption "Underwriting."

11.2 Promptly after receipt by an Indemnified Party under this Bond Purchase Agreement of notice of the commencement of any action, such Indemnified Party will, if a claim in respect thereof is to be made against the Issuer under this Bond Purchase Agreement, notify the Issuer of the commencement thereof, but failure to give such notice shall not relieve the Issuer of its indemnification obligations under this Bond Purchase Agreement unless and to the extent that such

failure causes actual harm or prejudice to the Issuer. In case any such action is brought against any Indemnified Party, and it notifies the Issuer of the commencement thereof, the Issuer (i) will assume the defense thereof if and as required under this Bond Purchase Agreement, with counsel satisfactory to the Indemnified Party or (ii) if not required to assume the defense, will be entitled to participate in, and, to the extent that it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense thereof, with counsel satisfactory to such Indemnified Party. After notice from the Issuer to such Indemnified Party of its assumption of the defense, the Issuer will not be liable to such Indemnified Party in connection with the defense thereof other than for reasonable expenses incurred by the Indemnified Party and its counsel, reimbursement of out-of-pocket expenses and other reasonable costs of investigation or participation in the defense of the claim.

12. Miscellaneous.

12.1 All notices, demands and formal actions hereunder will be written and mailed, telegrammed or delivered to the following address or such other address as either of the parties shall specify:

IF TO THE ISSUER:

City of St. Albans
51 Sixth Avenue
St. Albans, West Virginia 25177
Att'n.: Mayor

with a copy to :

Steptoe & Johnson PLLC
Chase Tower - 7th Floor (707 Virginia Street East)
PO Box 1588
Charleston, WV 25326-1588
Attn: John Stump

IF TO THE UNDERWRITER:

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

12.2 This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties hereto and their successors and will not confer any rights upon any other person. The term "successor" will not include any purchaser of any of the Bonds from the Underwriter merely because of such purchase. All representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement including, but not limited to, the indemnity agreements contained in Section 11 and the continuing disclosure agreement contained in Section 6.1.

12.3 This Bond Purchase Agreement may not be assigned by any of the parties hereto.

12.4 If any provision of this Bond Purchase Agreement is held or deemed to be or is, in fact, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy, or any other reason, such circumstances will not have the effect of rendering the provision in question inoperable or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

12.5 The payment for, acceptance of, and delivery and execution of any receipt for the Bonds and any other instruments upon or in connection with the closing by the Underwriter will be valid and sufficient for all purposes and binding upon the Underwriter. No such action by the Underwriter will impose any obligation or liability upon the Underwriter, other than as may arise as expressly set forth in this Bond Purchase Agreement.

12.6 Whenever any action contemplated by this Bond Purchase Agreement requires the consent or approval of the Underwriter, it is acknowledged that the Underwriter may not unreasonably withhold such approval.

12.7 This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia applicable to agreements to be performed wholly therein. The parties hereto intend to be legally bound hereby.

12.8 This Bond Purchase Agreement may be executed in several counterparts, each of which will be regarded as an original and all of which will constitute one and the same document.

12.9 No personal recourse shall be had for any claim based on this Bond Purchase Agreement or the Bonds against any official, agent or employee, past, present or future, of the Issuer or any successor body or entity as such, either directly or through the Issuer or any such successor body or entity, under any constitutional provision, statute, or rule of law or by the enforcement of an assessment or penalty or otherwise.

CREWS & ASSOCIATES, INC.

By: _____
Senior Managing Director

Accepted as of the date first above written:

CITY OF ST. ALBANS

By: _____
Mayor

EXHIBIT A

$8,270,000
City of St. Albans (West Virginia)
Taxable-Combined Waterworks and Sewerage System Revenue Bonds
Series 2010 A (Recovery Zone Economic Development Bonds)
and
$150,000
City of St. Albans (West Virginia)
Combined Waterworks and Sewerage System Revenue Bonds
Series 2010 B (Bank Qualified)

Dated Date: December 23, 2010

Closing Date: December 23, 2010

$8,420,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

Series 2010

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
Series 2010B						
12/01/2013	Term 1 Coupon	4.500%	4.500%	150,000.00	100.000%	150,000.00
Series 2010A						
12/01/2020	Term 2 Coupon	6.750%	6.750%	1,435,000.00	100.000%	1,435,000.00
12/01/2025	Term 3 Coupon	7.750%	7.750%	1,200,000.00	100.000%	1,200,000.00
12/01/2030	Term 4 Coupon	8.000%	8.000%	1,485,000.00	100.000%	1,485,000.00
12/01/2035	Term 5 Coupon	8.250%	8.500%	1,840,000.00	97.418%	1,792,491.20
12/01/2040	Term 6 Coupon	8.500%	8.750%	2,310,000.00	97.353%	2,248,854.30
Total	-	-	-	**$8,420,000.00**	-	**$8,311,345.50**

Bid Information

Par Amount of Bonds	$8,420,000.00
Reoffering Premium or (Discount)	(108,654.50)
Gross Production	$8,311,345.50
Total Underwriter's Discount (2.500%)	$(210,500.00)
Bid (96.210%)	8,100,845.50
Total Purchase Price	$8,100,845.50
Bond Year Dollars	$159,675.44
Average Life	18.964 Years
Average Coupon	4.4926391%
Net Interest Cost (NIC)	4.6925161%
True Interest Cost (TIC)	4.7854776%

Redemption Provisions

The Bonds are subject to redemption prior to their stated maturities.

Optional Redemption

The Series 2010 Bonds are subject to redemption at the option of the Issuer, prior to maturity, on or after December 1, 2017, in whole or in part at any time from amounts deposited with the Bond Commission by the Issuer or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

Net Purchase Price:

Par Amount	$8,420,000.00
Less: Underwriter's Discount	(210,500.00)
Less: Original Issue Discount	(108,654.50)
Net Purchase Price	$ 8,100,845.50

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is by and between the City of St. Albans (the "City") and United Bank, Inc., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $8,270,000 City of St. Albans, Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) (the "Series 2010 A Bonds") and $150,000 City of St. Albans, Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) (the "Series 2010 B Bonds" and, together with the Series 2010 A Bonds, the "Series 2010 Bonds". The Bonds are being issued pursuant to the Ordinance enacted by the City Council of the City on October 4, 2010 (the "Ordinance"), as supplemented and amended by a Supplemental Parameters Resolution adopted by the City Council of the City on December 6, 2010 (the "Supplemental Resolution" and together with the Original Ordinance, the "Ordinance"). The City and Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of Agreement. The Agreement is being executed and delivered by the City and Dissemination Agent for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriters in complying with SEC Rule 15c2-l2(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated December 17, 2010, which apply to any capitalized term used in the Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the City, provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, which Annual Financial Information shall include Audited Financial Statements if available on the Report Date, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the City's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the current Mayor of the City.

"Dissemination Agent" shall initially mean United Bank, Inc. or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access System described in the 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of the Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C. the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, effective as of July 1, 2009.

"Participating Underwriter" shall mean the original underwriter of the Bonds who is required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of the Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the City's fiscal year (presently June 30) (the "Due Date"), commencing with the report for the Fiscal Year ended June 30, 2010, provide to EMMA Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of the Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of the Agreement. The City shall provide the Dissemination Agent with a copy of each report filed under the Agreement. If the City's fiscal year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5(a). The Dissemination Agent shall send written notice to the City thirty days prior to the Due Date of the Annual Financial

Information and Audited Financial Statements that such information is due by the Due Date.

(b) Not later than fifteen (15) Business Days prior to the Due Date, the City shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent. If by the Due Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If the Dissemination Agent is unable to provide to EMMA its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall file a report with the City certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to the Agreement and the date provided.

SECTION 4. Content of Annual Financial Information. Within one hundred eighty (180) days of the City's 2010 Fiscal year-end, and each subsequent fiscal year, the Dissemination Agent shall submit to EMMA information and data of the City for the prior fiscal year, including the Audited Financial Statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2010 Bonds, or other material events affecting the tax status of the security;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the City[1];

13. the consummation of a merger, consolidation or acquisition involving the City, or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the City

[1] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Dissemination Agent within two (2) business days.

(d) If the City determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the City received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the City shall promptly file with the Dissemination Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the City determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA with a copy to the City. The Dissemination Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The City's obligations under the Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as Dissemination Agent. The City may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of the Agreement, the City may amend the Agreement, and any provision of the Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Agreement, the City shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in the Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by the Agreement. If the City chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by the Agreement, the City shall have no obligation under the Agreement to update such information or include it is any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the City or Dissemination Agent to comply with any provision of the Agreement (and, at the request of the Original Purchaser), the Dissemination Agent may or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent to comply with its obligations under the Agreement. A default under the Agreement shall not be deemed an Event of Default under the Ordinance, and the sole

remedy under the Agreement in the event of any failure of the City or Dissemination Agent to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination. The Dissemination Agent shall have only such duties as are specifically set forth in the Agreement, and the City agrees to the extent allowed by State law to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the City:	City of St. Albans, West Virginia P.O. Box 1428 St. Albans, WV 26555
To the Dissemination Agent:	United Bank, Inc. 500 Virginia Street, East Charleston, WV 25301

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. The Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Fees. The City agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the City.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

Date: December 23, 2010

CITY OF ST. ALBANS

By: _____
Mayor

UNITED BANK, INC., as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of St. Albans (West Virginia)

Name of Issue: $8,270,000 City of St. Albans, Taxable-Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) and $150,000 City of St. Albans, Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified)

Date of Issuance: December 23, 2010

Notice is hereby given that the City has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The City anticipates that the Annual Report will be filed by _____.

Dated this _____.

CITY OF ST. ALBANS

By: _____
Mayor

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

CITY OF ST. ALBANS, WEST VIRGINIA
[Name of Issuer]

November 9, 1998
[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

CITY OF ST. ALBANS, WEST VIRGINIA
(Issuer)

By: L. O. Gessel Jr. Mayor
(Authorized Officer's Signature)

L. O. Gessel, Jr., Mayor
(Typewrite Name & Title)

City Hall, 1499 MacCorkle Avenue
(Street Address)

St. Albans (City) WV (State) 25177 (Zip)

(304) 722-3355
(Phone Number)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: Robyn Brandon

SCHEDULE A

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2010

December 23, 2010

CITY OF ST. ALBANS

Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of the certified public accountant, Griffith & Associates, and the opinion of bond counsel, Steptoe & Johnson PLLC, that the City of St. Albans (the "Issuer") has met the coverage and parity requirements for issuance of parity bonds, the undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds"), in the original aggregate principal amount of $8,270,000 and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (the "Series 2010 B Bonds"), in the original aggregate principal amount of $150,000 (collectively, the "Bonds"), by the Issuer, under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the original aggregate principal amount of $16,281,000; and (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the original aggregate principal amount of $225,000 (collectively, the "Prior Bonds").

Carol A. Cummings
Authorized Representative

12.21.10
858350.00006

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

CITY OF ST. ALBANS (WEST VIRGINIA)

City of St. Albans (West Virginia)
$8,270,000 Taxable - Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(Recovery Zone Economic Development Bonds); and
$150,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(Bank Qualified)

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of the 23rd day of December, 2010, by and between the CITY OF ST. ALBANS, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, INC., CHARLESTON, WEST VIRGINIA, a national banking association (the "Bank").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $8,270,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds) in fully registered form, and its $150,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified) in fully registered form (collectively, the "Bonds"), pursuant to a Bond Ordinance enacted October 4, 2010 as supplemented by Supplemental Parameters Resolution adopted December 6, 2010 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this 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 Agreement does appoint the Bank 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 Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Bonds for purposes of 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 Bank 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 Bank'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 Bank 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 Agreement, the Issuer hereby agrees to pay to the Bank, the compensation for services rendered as provided in the annexed fee schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this 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 Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this 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 Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:	City of St. Albans P.O. box 1488 St. Albans, West Virginia 25177 Attention: Mayor
REGISTRAR:	United Bank, Inc. Charleston, West Virginia Attention: Corporate Trust Department

8. The Bank is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

10. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

CITY OF ST. ALBANS

By: _____
Its: Mayor

UNITED BANK, INC.

By: _____
Its: Authorized Officer

08.18.10
858350.00006

5443899

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
(304) 353-8196 Phone
(304) 353-8181 Fax
John.Stump@steptoe-johnson.com

January 27, 2011

City of St. Albans
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-B and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed envelope.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,

John C. Stump

JCS/bsl
Enclosure
858350.00006

5668640

FILE COPY

Form **8038-B**
(January 2010)
Department of the Treasury
Internal Revenue Service

Information Return for Build America Bonds and Recovery Zone Economic Development Bonds

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.

OMB No. 1545-2161

Part I Reporting Authority

Check if Amended Return ▶ ☐

1 Issuer's name: City of St. Albans
2 Issuer's employer identification number (EIN): 55-6000246
3 Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions): John C. Stump
4 Report number (For IRS Use Only): 1
5 Number and street (or P.O. Box if mail is not delivered to street address): PO Box 1488
6 City, town, or post office, state, and ZIP code: St. Albans, West Virginia 25177
7 Date of issue (MM/DD/YYYY): 12/23/2010
8 Name of issue: Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
9 CUSIP number: 787175CF3
10 Name and title of officer of issuer whom the IRS may call for more information (see instructions): Richard Callaway, Mayor
11 Telephone number of officer or other person (see instructions): 304.722.3391

Part II Type of Bonds (see instructions, if the box on line 1b or 1c is checked, complete lines 2 and 3)

1a Build America bonds (Tax Credit) (section 54AA(a)) ☐
b Build America bonds (Direct Payment) (sections 54AA(g) and 6431) ☐
c Recovery zone economic development bonds (Direct Payment) (sections 1400U-2 and 6431) ☑
2 Enter the first interest payment date (MM/DD/YYYY) ▶ 06/01/2011
3 Interest payment date frequency: (Check box) (see instructions and attach debt service schedule)
a ☐ annual,
b ☑ semi-annual,
c ☐ quarterly,
d ☐ monthly, or
e ☐ other
f If line 3e above is checked, please describe the payment frequency:

Part III Purpose of Issue

			Amount (Whole Dollars)
1	For a build America bond, identify the purpose of issue and enter the issue price. (see instructions and attach schedule)		
a	Education	1a	
b	Health and hospital	1b	
c	Transportation	1c	
d	Public safety	1d	
e	Environment (including sewage bonds)	1e	
f	Housing	1f	
g	Utilities	1g	
h	Other description ▶	1h	
2	For a recovery zone economic development bond, identify the purpose of issue and enter the issue price. (see instructions and attach schedule)		
a	Capital expenditures relating to property located in the zone	2a	
b	Public infrastructure and construction of public facilities	2b	8,161,346
c	Job training and educational programs	2c	
d	Other description	2d	
3	Total issue price (Part III, lines 1a through 1h or lines 2a through 2d)	3	8,161,346

4 If obligations are TANs or RANs, check only box 4a ▶ ☐ If obligations are BANs, check only box 4b ▶ ☐
5 If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part IV Description of Obligations (Complete for the entire issue for which this form is being filed.)

1	Stated redemption price at maturity	1	8,270,000
2	Final maturity date (MM/DD/YYYY) 12/04/2040		
3	Weighted average maturity 19.17 years		
4	Yield 04.571 %		

5 If the issue is a variable rate issue, check box 5a ▶ ☐ Please indicate the frequency rates are reset 5b ▶

Part V Use of Proceeds of Issue

			Amount (Whole Dollars)
1	Sales proceeds	1	8,161,346
2	Expected investment proceeds	2	6,089
3	Proceeds used for accrued interest	3	
4	Proceeds used for bond issuance cost (including underwriter's discount)	4	160,269
5	Proceeds used for credit enhancement	5	
6	Proceeds allocated to a reasonably required reserve fund	6	531,283
7	Proceeds used for capital expenditures	7	8,007,166
8	Proceeds used for working capital expenditures	8	
9	Proceeds used to currently refund prior issues	9	
10	Proceeds used to advance refund prior issues	10	

Part VI Description of Refunded Bonds (complete this part only for refunding bonds)

1 Enter the remaining weighted average maturity of the bonds to be currently refunded _____ years

2 Enter the remaining weighted average maturity of the bonds to be advance refunded _____ years

3 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ___/___/___

4 Enter the date the refunded bonds were issued (if more than one date of issue, attach a schedule) (MM/DD/YYYY) (see instructions) ___/___/___

Part VII Miscellaneous

1	Enter the amount of the volume cap allocated to the issue (see instructions) (attach volume cap certification)	1	10,000,000
2a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC)	2a	
b	Enter the final maturity date of the GIC (MM/DD/YYYY) ▶ ___/___/___		
c	Enter the name of the GIC provider ▶		
3	Proceeds of this issue that are to be used to make loans to other governmental units	3	

4a If this issue is a loan made from the proceeds of another issue, check box ▶ ☐ and enter the following information:

b Enter the issue date of the master pool obligation (MM/DD/YYYY) ▶ ___/___/___

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

5a If the issuer entered into a hedge, check box ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

6 If the issuer has superintegrated the hedge, check box ▶ ☐

7 If the issuer elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

8 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under Regulations section 1.141-12, check box ▶ ☒

9 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☒

Signature and Consent

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process the return, to the person(s) that I have authorized above.

▶ Signature of issuer's authorized representative | Date 12/23/10 | ▶ Richard Callaway, Mayor — Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date 12/23/10	Check if self-employed ☐	Preparer's SSN or PTIN P01236822
Firm's name (or yours if self-employed), address, and ZIP code ▶	Steptoe & Johnson PLLC PO Box 1588 Charleston, WV 25326	EIN 55-0286140 Phone no. 304.353.8000	

Part VIII Consent to Disclosure of Certain Information from this Return

1 For build America bonds that provide a tax credit to bondholders, does the issuer give the IRS consent to publish, through a website or in a publication, its name and address, employer identification number, name and description of bond issue, date of issuance, CUSIP number, issue price, final maturity date, and stated redemption price at maturity, to assist in the proper reporting of interest, tax credits, or other benefits under section 6049 and Regulations thereunder? ▶ ☐ Yes ☐ No

Under penalties of perjury, I declare that I am an officer of the above named issuer and that I am authorized to give consent on behalf of the above named issuer for the IRS to publish the items of information described in line 1 of Part VIII of this form to assist in the reporting obligations under section 6049.

Sign Here ▶ Signature | Date 12/23/10 | ▶ Richard Callaway, Mayor — Type or print name and title

Fixed Rate Bond- Debt Service Schedule

Interest Payment Date	Interest Payable	Principal Outstanding	Credit Expected to be Requested
06/01/2011	288,267.71	8,270,000.00	129,720.46
12/01/2011	328,406.25	8,270,000.00	147,782.81
06/01/2012	328,406.25	8,270,000.00	147,782.81
12/01/2012	328,406.25	8,270,000.00	147,782.81
06/01/2013	328,406.25	8,270,000.00	147,782.81
12/01/2013	328,406.25	8,175,000.00	147,782.81
06/01/2014	325,200.00	8,175,000.00	146,340.00
12/01/2014	325,200.00	8,005,000.00	146,340.00
06/01/2015	319,462.50	8,005,000.00	143,758.12
12/01/2015	319,462.50	7,830,000.00	143,758.12
06/01/2016	313,556.25	7,830,000.00	141,100.31
12/01/2016	313,556.25	7,645,000.00	141,100.31
06/01/2017	307,312.50	7,645,000.00	138,290.62
12/01/2017	307,312.50	7,455,000.00	138,290.62
06/01/2018	300,900.00	7,455,000.00	135,405.00
12/01/2018	300,900.00	7,255,000.00	135,405.00
06/01/2019	294,150.00	7,255,000.00	132,367.50
12/01/2019	294,150.00	7,050,000.00	132,367.50
06/01/2020	287,231.25	7,050,000.00	129,254.06
12/01/2020	287,231.25	6,835,000.00	129,254.06
06/01/2021	279,975.00	6,835,000.00	125,988.75
12/01/2021	279,975.00	6,615,000.00	125,988.75
06/01/2022	271,450.00	6,615,000.00	122,152.50
12/01/2022	271,450.00	6,385,000.00	122,152.50
06/01/2023	262,537.50	6,385,000.00	118,141.87
12/01/2023	262,537.50	6,145,000.00	118,141.87
06/01/2024	253,237.50	6,145,000.00	113,956.87
12/01/2024	253,237.50	5,895,000.00	113,956.87
06/01/2025	243,550.00	5,895,000.00	109,597.50
12/01/2025	243,550.00	5,635,000.00	109,597.50
06/01/2026	233,475.00	5,635,000.00	105,063.75
12/01/2026	233,475.00	5,365,000.00	105,063.75
06/01/2027	222,675.00	5,365,000.00	100,203.75
12/01/2027	222,675.00	5,080,000.00	100,203.75
06/01/2028	211,275.00	5,080,000.00	95,073.75
12/01/2028	211,275.00	4,785,000.00	95,073.75
06/01/2029	199,475.00	4,785,000.00	89,763.75
12/01/2029	199,475.00	4,475,000.00	89,763.75
06/01/2030	187,075.00	4,475,000.00	84,183.75
12/01/2030	187,075.00	4,150,000.00	84,183.75
06/01/2031	174,075.00	4,150,000.00	78,333.75
12/01/2031	174,075.00	3,815,000.00	78,333.75
06/01/2032	160,256.25	3,815,000.00	72,115.31
12/01/2032	160,256.25	3,465,000.00	72,115.31
06/01/2033	145,818.75	3,465,000.00	65,618.43
12/01/2033	145,818.75	3,095,000.00	65,618.43
06/01/2034	130,556.25	3,095,000.00	58,750.31
12/01/2034	130,556.25	2,710,000.00	58,750.31
06/01/2035	114,675.00	2,710,000.00	51,603.75
12/01/2035	114,675.00	2,310,000.00	51,603.75
06/01/2036	98,175.00	2,310,000.00	44,178.75
12/01/2036	98,175.00	1,890,000.00	44,178.75
06/01/2037	80,325.00	1,890,000.00	36,146.25
12/01/2037	80,325.00	1,450,000.00	36,146.25
06/01/2038	61,625.00	1,450,000.00	27,731.25
12/01/2038	61,625.00	990,000.00	27,731.25
06/01/2039	42,075.00	990,000.00	18,933.75
12/01/2039	42,075.00	505,000.00	18,933.75
06/01/2040	21,462.50	505,000.00	9,658.12
12/01/2040	21,462.50	-	9,658.12

Earliest date bonds can be called: December 1, 2017

ATTACHMENT TO FORM 8038-B

CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A

Part VII, Line 1:

The allocation of state volume cap under section 141(b)(5) is not applicable to the above-referenced issue.

Resolution No. 2010-09

RZB Designation/Cap Request

RESOLUTION OF THE
CITY OF ST. ALBANS

A RESOLUTION DESIGNATING THE CITY OF ST. ALBANS, WEST VIRGINIA A RECOVERY ZONE FOR PURPOSES OF SECTIONS 1400U-1, 1400U-2 AND 1400U-3 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; DESIGNATING THE RECOVERY ZONE; PROVIDING FOR FUNDING APPROPRIATION; PROVIDING FOR ELIGIBLE ACTIVITIES/PROJECTS FOR RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS; PROVIDING FOR ELIGIBLE ACTIVITIES/PROJECTS FOR RECOVERY ZONE FACILITY BONDS; AUTHORIZING A REQUEST FOR ADDITIONAL CAP; PROVIDING FOR REIMBURSEMENT; PROVIDING FOR COMPLIANCE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 ("ARRA") added Sections 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended, (the "Code"), authorizing state and local governments to issue Recovery Zone Bonds through December 31, 2010 which provide tax incentives to state and local governments by lowering borrowing costs as a means to promote job creation and economic recovery to targeted areas particularly affected by employment declines;

WHEREAS, the Treasury Department established a national bond volume limitation ("volume cap") of $10 billion for Recovery Zone Economic Development Bonds and $15 billion for Recovery Zone Facility Bonds (collectively referred to as "Recovery Zone Bonds"), which is allocated among the states in the proportion that each State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all of the states ("Recovery Zone Bond Allocation");

WHEREAS, Recovery Zone Economic Development Bonds are taxable tax-credit governmental bonds that may be used to finance certain "qualified economic development purposes," defined as promoting development or other economic activity in a designated Recovery Zone, including (1) capital expenditures paid or incurred with respect to property located in the recovery zone, (2) expenditures for public infrastructure and construction of public facilities, and (3) expenditures for job training and educational programs. Recovery

Zone Facility Bonds are private activity bonds that may be used to finance certain property located within a designated Recovery Zone;

WHEREAS, Recovery Zone Facility Bonds are tax-exempt private activity bonds that may be used to finance certain eligible activities/projects on behalf of qualified borrowers for projects located within the designated Recovery Zone, including qualifying capital improvements and infrastructure projects. Provided, however, qualifying projects do not include any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;

WHEREAS, Section 1400U-1(a)(3)(A) of the Code provides generally that each state with respect to which an allocation is made under § 1400U-1(a)(1) of the Code is required, without discretion, to reallocate such allocation among the counties and large municipalities in such state; in the proportion that each county's or municipality's 2008 employment decline bears to the aggregate of the 2008 employment declines for all the counties and municipalities in such state (the "Volume Cap");

WHEREAS, for purposes of § 1400U-1(a)(3)(A) of the Code, the term "large municipality" means a municipality with a population of more than 100,000;

WHEREAS, the City of St. Albans, since it does not meet the criteria established for a "large municipality," has been allocated **$0** in Recovery Zone Economic Development Bonds and **$0** in Recovery Zone Facility Bonds, which must be issued on or before December 31, 2010;

WHEREAS, West Virginia Senate Bill 4002 empowers the West Virginia Economic Development Authority to reallocate Volume Cap that has been waived by other counties in West Virginia;

WHEREAS, Section 1400U-1(b) of the Code requires each governmental issuer of Recovery Zone Bonds to designate eligible recovery zones within its geographical jurisdiction using the following criteria: (1) significant poverty, unemployment, rate of home foreclosures, or general distress; (2) economic distress by reason of the closure of realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and (3) any area for which a designation as an empowerment zone or renewal community is in effect;

WHEREAS, the City intends to plan, design, acquire, construct and equip certain equipment, structures, and improvements and all necessary appurtenances and related facilities for renovations and improvements to the City's existing water treatment and distribution facilities in Kanawha County, West Virginia (collectively, the "Project") and desires to finance all or a portion of the Project through the issuance of Recovery Zone Facility Bonds in the amount not to exceed $10,000,000

(the "Bonds"), utilizing additional volume cap which may be obtained from the State of West Virginia as further authorized herein;

WHEREAS, the Bonds will be issued in an amount not to exceed $10,000,000, in one or more issues or series, of the City under and pursuant to West Virginia Code 8-20, et. seq., herein called the "Act;"

WHEREAS, it is intended that this Resolution shall constitute a "bond resolution or some other official action" toward the issuance of such Bonds under the Regulations prescribed by the United States Treasury Department in connection with Section 103 of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City reasonably expects that it will reimburse itself from proceeds of such Bonds for a portion of the costs of planning, design, acquisition, construction and equipping of the Project expended prior to the date of delivery of the Bonds;

WHEREAS, since December 2004, the unemployment rate in Kanawha County has risen from 4.7% to the current unemployment rate of 8.3%, or an increase of over 55%;

WHEREAS, the conditions of significant poverty and rate of home foreclosures exist throughout the entire geographic area of Kanawha County, which includes the City of St. Albans; and

WHEREAS, the conditions of significant poverty, unemployment rate and rate of home foreclosures in Kanawha County has impacted citizens and businesses in the City and has resulted in the general distress of the City. Accordingly, it is in the best interests of the City of St. Albans that the entire geographic area of the City be designated a "Recovery Zone" for purposes of issuing Recovery Zone Bonds to promote job creation and economic recovery.

NOW, THEREFORE, BE AND IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF ST. ALBANS, WEST VIRGINIA AS FOLLOWS:

Section 1. Recovery Zone Designation. Pursuant to Section 1400U-1 of the Code, the entire geographic area of the City of St. Albans is hereby designated as a "Recovery Zone" for the purpose of issuing Recovery Zone Bonds.

Section 2. In accordance with West Virginia Senate Bill 4002, the Mayor or Clerk of the City is directed to apply to the West Virginia Economic Development Authority for additional recovery zone bond cap allocation in an amount not to exceed $10,000,000 to provide additional Recovery Zone Economic Development Bond financing for the Project.

Section 3. Recovery Zone Economic Development Bonds - Eligible Activities/Projects. Eligible activities/projects that qualify for issuance of

Recovery Zone Economic Development Bonds include activities/projects within the Recovery Zone that promote economic development, as measured by such criteria the City deems appropriate, and may include:

(1) Capital expenditures paid or incurred with respect to property located in the Recovery Zone, including working capital expenditures to promote development or other economic activity;

(2) Expenditures for public infrastructure and construction of public facilities; and

(3) Expenditures for job training and educational programs.

Section 4. Recovery Zone Facility Bonds - Eligible Activities/Projects. Eligible activities/projects that qualify for issuance of Recovery Zone Facility Bonds include any and all private activity bonds issued on behalf of qualified borrowers for projects located within the designated Recovery Zone, including qualifying capital improvements and infrastructure projects. Provided, however, qualifying projects do not include any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

Section 5. The City hereby finds that the Project will promote development or other economic activity within the City.

Section 6. The City reasonably expects that it will reimburse itself for certain capital expenditures in an amount not to exceed $2,000,000, made not more than 60 days prior to the date of adoption of this resolution and during the period following the adoption of this resolution and prior to delivery of the Bonds, in connection with the planning, design, acquisition, construction and equipping of the Project, to be undertaken or incurred prior to the execution and delivery of the Bonds, from the proceeds of the Bonds, which are reasonably expected to be executed and delivered within 18 months from the later of (i) the expenditure for payment of said costs or (ii) the placing of the Project in service.

Section 7. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Code (the "Reimbursement Regulations").

Section 8. The source of payment for such capital expenditures will be the revenue account of the water system and, upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures may be applied to reimbursement of such account.

Section 9. The maximum principal amount of Bonds to be issued for the Project, in one or more series, (including costs of issuance of the Bonds and related costs) is $10,000,000.

Section 10. Compliance. Notwithstanding any provisions to the contrary which may be contained within this Resolution, all activities/projects financed through the issuance of Recovery Zone Bonds shall comply with all applicable existing Federal, State, and Local laws, rules, and regulations.

Section 11. Severability Clause. If any provision of this article or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or applications. To this end, the provisions of this article are declared severable.

Section 12. Effective Date. This Resolution shall become effective immediately.

Adopted this May 3, 2010

CITY OF ST. ALBANS

By: _____
Its Mayor

CERTIFICATION

The undersigned, being the duly appointed, qualified and acting Clerk of the City of St. Albans (the "City"), does hereby certify that the foregoing is a true, correct and complete copy of an Resolution duly enacted by the Council of the City at a regular meeting, duly held on May 3, 2010, pursuant to proper notice, at which a quorum was present and acting throughout, and which Resolution has not been amended, modified, rescinded, repealed, annulled, revoked or otherwise altered as witness my hand and the seal of the City this May 3, 2010.

By: Barbara Allningham
Clerk

West Virginia Open for Business! USA

West Virginia Economic Development Authority

May 21, 2010

John Stump
PO Box 1588
Charleston, WV 25326

Dear Mr. Stump:

The West Virginia Economic Development Authority board of directors approved the City of St. Albans request for $10,000,000 RecoveryZone Economic Development BondVolume CAP at the May 20, 2010 board meeting.

Please be aware that if the bonds are not issued before December 31, 2010 or if the bonds are issued in amount lesser than the amount of Volume CAP approved that a notification must be sent to the Governor's Office.

Sincerely,

David A. Warner

David A. Warner
Executive Director

NorthGate Business Park, 160 Association Drive, Charleston, WV 25311-1217 • (304) 558-3650 • (304) 558-0206 (fax)

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
304-353-8169 - Telephone
304-353-8181 - Facsimile
anthony.caldwell@steptoe-johnson.com

FILE COPY

February 3, 2011

Explanation of Supplement to
City of St. Albans
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010
IRS Form 8038-B

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

On January 27, 2011, Internal Revenue Service From 8038-B (the "Form 8038-B") was filed with regard to the above-captioned issue. A copy of the previously filed Form 8038-B is attached to this explanation. When assembling the attachments for the Form 8038-B, the "Fixed Rate Bond Debt-Service Schedule," as required by Part II, Line 3 of the Form 8038-B, was inadvertently omitted. Accordingly, attached hereto please find the required "Fixed Rate Bond Debt-Service Schedule" for the Form 8038-B.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards,

Very truly yours,

Anthony M. Caldwell

AMC/mgb
Enclosure

5686728

Fixed Rate Bond- Debt Service Schedule

Interest Payment Date	Interest Payable	Principal Outstanding	Credit Expected to be Requested
06/01/2011	288,267.71	-	129,720.46
12/01/2011	328,406.25	-	147,782.81
06/01/2012	328,406.25	-	147,782.81
12/01/2012	328,406.25	-	147,782.81
06/01/2013	328,406.25	-	147,782.81
12/01/2013	328,406.25	8,175,000.00	147,782.81
06/01/2014	325,200.00	-	146,340.00
12/01/2014	325,200.00	8,005,000.00	146,340.00
06/01/2015	319,462.50	-	143,758.12
12/01/2015	319,462.50	7,830,000.00	143,758.12
06/01/2016	313,556.25	-	141,100.31
12/01/2016	313,556.25	7,645,000.00	141,100.31
06/01/2017	307,312.50	-	138,290.62
12/01/2017	307,312.50	7,455,000.00	138,290.62
06/01/2018	300,900.00	-	135,405.00
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06/01/2019	294,150.00	-	132,367.50
12/01/2019	294,150.00	7,050,000.00	132,367.50
06/01/2020	287,231.25	-	129,254.06
12/01/2020	287,231.25	6,835,000.00	129,254.06
06/01/2021	279,975.00	-	125,988.75
12/01/2021	279,975.00	6,615,000.00	125,988.75
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12/01/2022	271,450.00	6,385,000.00	122,152.50
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12/01/2026	233,475.00	5,365,000.00	105,063.75
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12/01/2029	199,475.00	4,475,000.00	89,763.75
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12/01/2031	174,075.00	3,815,000.00	78,333.75
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12/01/2032	160,256.25	3,465,000.00	72,115.31
06/01/2033	145,818.75	-	65,618.43
12/01/2033	145,818.75	3,095,000.00	65,618.43
06/01/2034	130,556.25	-	58,750.31
12/01/2034	130,556.25	2,710,000.00	58,750.31
06/01/2035	114,675.00	-	51,603.75
12/01/2035	114,675.00	2,310,000.00	51,603.75
06/01/2036	98,175.00	-	44,178.75
12/01/2036	98,175.00	1,890,000.00	44,178.75
06/01/2037	80,325.00	-	36,146.25
12/01/2037	80,325.00	1,450,000.00	36,146.25
06/01/2038	61,625.00	-	27,731.25
12/01/2038	61,625.00	990,000.00	27,731.25
06/01/2039	42,075.00	-	18,933.75
12/01/2039	42,075.00	505,000.00	18,933.75
06/01/2040	21,462.50	-	9,658.12
12/01/2040	21,462.50	-	9,658.12

Earliest date bonds can be called: December 1, 2017

Form **8038-B**
(January 2010)
Department of the Treasury
Internal Revenue Service

Information Return for Build America Bonds and Recovery Zone Economic Development Bonds

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.

OMB No. 1545-2161

Part I Reporting Authority — Check if Amended Return ▶ ☐

1 Issuer's name: City of St. Albans
2 Issuer's employer identification number (EIN): 55-6000246
3 Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions): John C. Stump
4 Report number (*For IRS Use Only*): 1
5 Number and street (or P.O. Box if mail is not delivered to street address): PO Box 1488
6 City, town, or post office, state, and ZIP code: St. Albans, West Virginia 25177
7 Date of issue (MM/DD/YYYY): 12/23/2010
8 Name of issue: Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
9 CUSIP number: 787175CF3
10 Name and title of officer of issuer whom the IRS may call for more information (see instructions): Richard Callaway, Mayor
11 Telephone number of officer or other person (see instructions): 304.722.3391

Part II Type of Bonds (see instructions, if the box on line 1b or 1c is checked, complete lines 2 and 3)

1a Build America bonds (Tax Credit) (section 54AA(a)) ☐
b Build America bonds (Direct Payment) (sections 54AA(g) and 6431) ☐
c Recovery zone economic development bonds (Direct Payment) (sections 1400U-2 and 6431) ☑
2 Enter the first interest payment date (MM/DD/YYYY) ▶ 06/01/2011
3 Interest payment date frequency: (Check box) (see instructions and attach debt service schedule)
a ☐ annual,
b ☑ semi-annual,
c ☐ quarterly,
d ☐ monthly, or
e ☐ other
f If line 3e above is checked, please describe the payment frequency:

Part III Purpose of Issue

			Amount (*Whole Dollars*)
1	For a build America bond, identify the purpose of issue and enter the issue price. (see instructions and attach schedule)		
a	Education	1a	
b	Health and hospital	1b	
c	Transportation	1c	
d	Public safety	1d	
e	Environment (including sewage bonds)	1e	
f	Housing	1f	
g	Utilities	1g	
h	Other description ▶	1h	
2	For a recovery zone economic development bond, identify the purpose of issue and enter the issue price. (see instructions and attach schedule)		
a	Capital expenditures relating to property located in the zone	2a	
b	Public infrastructure and construction of public facilities	2b	8,161,346
c	Job training and educational programs	2c	
d	Other description	2d	
3	Total issue price (Part III, lines 1a through 1h or lines 2a through 2d)	3	8,161,346

4 If obligations are TANs or RANs, check only box 4a ▶ ☐ If obligations are BANs, check only box 4b ▶ ☐
5 If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part IV Description of Obligations (Complete for the entire issue for which this form is being filed.)

1	Stated redemption price at maturity	1	8,270,000
2	Final maturity date (MM/DD/YYYY) 12/04/2040		
3	Weighted average maturity 19.17 years		
4	Yield 04.571 %		

5 If the issue is a variable rate issue, check box 5a ▶ ☐ Please indicate the frequency rates are reset 5b ▶

Part V Use of Proceeds of Issue

			Amount (Whole Dollars)
1	Sales proceeds	1	8,161,346
2	Expected investment proceeds	2	6,089
3	Proceeds used for accrued interest	3	
4	Proceeds used for bond issuance cost (including underwriter's discount)	4	160,269
5	Proceeds used for credit enhancement	5	
6	Proceeds allocated to a reasonably required reserve fund	6	531,283
7	Proceeds used for capital expenditures	7	8,007,166
8	Proceeds used for working capital expenditures	8	
9	Proceeds used to currently refund prior issues	9	
10	Proceeds used to advance refund prior issues	10	

Part VI Description of Refunded Bonds (complete this part only for refunding bonds)

1 Enter the remaining weighted average maturity of the bonds to be currently refunded _____ years

2 Enter the remaining weighted average maturity of the bonds to be advance refunded _____ years

3 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) / /

4 Enter the date the refunded bonds were issued (if more than one date of issue, attach a schedule) (MM/DD/YYYY) (see instructions) / /

Part VII Miscellaneous

1 Enter the amount of the volume cap allocated to the issue (see instructions) (attach volume cap certification) 1 10,000,000

2a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) 2a

b Enter the final maturity date of the GIC (MM/DD/YYYY) ▶ / /

c Enter the name of the GIC provider ▶

3 Proceeds of this issue that are to be used to make loans to other governmental units 3

4a If this issue is a loan made from the proceeds of another issue, check box ▶ ☐ and enter the following information:

b Enter the issue date of the master pool obligation (MM/DD/YYYY) ▶ / /

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

5a If the issuer entered into a hedge, check box ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

6 If the issuer has superintegrated the hedge, check box ▶ ☐

7 If the issuer elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

8 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under Regulations section 1.141-12, check box ▶ ☒

9 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☒

Signature and Consent

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process the return, to the person(s) that I have authorized above.

▶ Signature of issuer's authorized representative | Date 12/23/10 | ▶ Richard Callaway, Mayor — Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date 12/23/10	Check if self-employed ☐	Preparer's SSN or PTIN P01236822
Firm's name (or yours if self-employed), address, and ZIP code ▶	Steptoe & Johnson PLLC PO Box 1588 Charleston, WV 25326	EIN 55-0286140 Phone no. 304.353.8000	

Part VIII Consent to Disclosure of Certain Information from this Return

1 For build America bonds that provide a tax credit to bondholders, does the issuer give the IRS consent to publish, through a website or in a publication, its name and address, employer identification number, name and description of bond issue, date of issuance, CUSIP number, issue price, final maturity date, and stated redemption price at maturity, to assist in the proper reporting of interest, tax credits, or other benefits under section 6049 and Regulations thereunder? ▶ ☐ Yes ☐ No

Under penalties of perjury, I declare that I am an officer of the above named issuer and that I am authorized to give consent on behalf of the above named issuer for the IRS to publish the items of information described in line 1 of Part VIII of this form to assist in the reporting obligations under section 6049.

Sign Here ▶ Signature | Date 12/23/10 | ▶ Richard Callaway, Mayor — Type or print name and title

ATTACHMENT TO FORM 8038-B

CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2010 A

Part VII, Line 1:

The allocation of state volume cap under section 141(b)(5) is not applicable to the above-referenced issue.

Resolution No. 2010-09

RZB Designation/Cap Request

RESOLUTION OF THE CITY OF ST. ALBANS

A RESOLUTION DESIGNATING THE CITY OF ST. ALBANS, WEST VIRGINIA A RECOVERY ZONE FOR PURPOSES OF SECTIONS 1400U-1, 1400U-2 AND 1400U-3 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; DESIGNATING THE RECOVERY ZONE; PROVIDING FOR FUNDING APPROPRIATION; PROVIDING FOR ELIGIBLE ACTIVITIES/PROJECTS FOR RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS; PROVIDING FOR ELIGIBLE ACTIVITIES/PROJECTS FOR RECOVERY ZONE FACILITY BONDS; AUTHORIZING A REQUEST FOR ADDITIONAL CAP; PROVIDING FOR REIMBURSEMENT; PROVIDING FOR COMPLIANCE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 ("ARRA") added Sections 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended, (the "Code"), authorizing state and local governments to issue Recovery Zone Bonds through December 31, 2010 which provide tax incentives to state and local governments by lowering borrowing costs as a means to promote job creation and economic recovery to targeted areas particularly affected by employment declines;

WHEREAS, the Treasury Department established a national bond volume limitation ("volume cap") of $10 billion for Recovery Zone Economic Development Bonds and $15 billion for Recovery Zone Facility Bonds (collectively referred to as "Recovery Zone Bonds"), which is allocated among the states in the proportion that each State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all of the states ("Recovery Zone Bond Allocation");

WHEREAS, Recovery Zone Economic Development Bonds are taxable tax-credit governmental bonds that may be used to finance certain "qualified economic development purposes," defined as promoting development or other economic activity in a designated Recovery Zone, including (1) capital expenditures paid or incurred with respect to property located in the recovery zone, (2) expenditures for public infrastructure and construction of public facilities, and (3) expenditures for job training and educational programs. Recovery

Zone Facility Bonds are private activity bonds that may be used to finance certain property located within a designated Recovery Zone;

WHEREAS, Recovery Zone Facility Bonds are tax-exempt private activity bonds that may be used to finance certain eligible activities/projects on behalf of qualified borrowers for projects located within the designated Recovery Zone, including qualifying capital improvements and infrastructure projects. Provided, however, qualifying projects do not include any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;

WHEREAS, Section 1400U-1(a)(3)(A) of the Code provides generally that each state with respect to which an allocation is made under § 1400U-1(a)(1) of the Code is required, without discretion, to reallocate such allocation among the counties and large municipalities in such state; in the proportion that each county's or municipality's 2008 employment decline bears to the aggregate of the 2008 employment declines for all the counties and municipalities in such state (the "Volume Cap");

WHEREAS, for purposes of § 1400U-1(a)(3)(A) of the Code, the term "large municipality" means a municipality with a population of more than 100,000;

WHEREAS, the City of St. Albans, since it does not meet the criteria established for a "large municipality," has been allocated $0 in Recovery Zone Economic Development Bonds and $0 in Recovery Zone Facility Bonds, which must be issued on or before December 31, 2010;

WHEREAS, West Virginia Senate Bill 4002 empowers the West Virginia Economic Development Authority to reallocate Volume Cap that has been waived by other counties in West Virginia;

WHEREAS, Section 1400U-1(b) of the Code requires each governmental issuer of Recovery Zone Bonds to designate eligible recovery zones within its geographical jurisdiction using the following criteria: (1) significant poverty, unemployment, rate of home foreclosures, or general distress; (2) economic distress by reason of the closure of realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and (3) any area for which a designation as an empowerment zone or renewal community is in effect;

WHEREAS, the City intends to plan, design, acquire, construct and equip certain equipment, structures, and improvements and all necessary appurtenances and related facilities for renovations and improvements to the City's existing water treatment and distribution facilities in Kanawha County, West Virginia (collectively, the "Project") and desires to finance all or a portion of the Project through the issuance of Recovery Zone Facility Bonds in the amount not to exceed $10,000,000

(the "Bonds"), utilizing additional volume cap which may be obtained from the State of West Virginia as further authorized herein;

WHEREAS, the Bonds will be issued in an amount not to exceed $10,000,000, in one or more issues or series, of the City under and pursuant to West Virginia Code 8-20, et. seq., herein called the "Act;"

WHEREAS, it is intended that this Resolution shall constitute a "bond resolution or some other official action" toward the issuance of such Bonds under the Regulations prescribed by the United States Treasury Department in connection with Section 103 of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City reasonably expects that it will reimburse itself from proceeds of such Bonds for a portion of the costs of planning, design, acquisition, construction and equipping of the Project expended prior to the date of delivery of the Bonds;

WHEREAS, since December 2004, the unemployment rate in Kanawha County has risen from 4.7% to the current unemployment rate of 8.3%, or an increase of over 55%;

WHEREAS, the conditions of significant poverty and rate of home foreclosures exist throughout the entire geographic area of Kanawha County, which includes the City of St. Albans; and

WHEREAS, the conditions of significant poverty, unemployment rate and rate of home foreclosures in Kanawha County has impacted citizens and businesses in the City and has resulted in the general distress of the City. Accordingly, it is in the best interests of the City of St. Albans that the entire geographic area of the City be designated a "Recovery Zone" for purposes of issuing Recovery Zone Bonds to promote job creation and economic recovery.

NOW, THEREFORE, BE AND IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF ST. ALBANS, WEST VIRGINIA AS FOLLOWS:

Section 1. Recovery Zone Designation. Pursuant to Section 1400U-1 of the Code, the entire geographic area of the City of St. Albans is hereby designated as a "Recovery Zone" for the purpose of issuing Recovery Zone Bonds.

Section 2. In accordance with West Virginia Senate Bill 4002, the Mayor or Clerk of the City is directed to apply to the West Virginia Economic Development Authority for additional recovery zone bond cap allocation in an amount not to exceed $10,000,000 to provide additional Recovery Zone Economic Development Bond financing for the Project.

Section 3. Recovery Zone Economic Development Bonds - Eligible Activities/Projects. Eligible activities/projects that qualify for issuance of

Recovery Zone Economic Development Bonds include activities/projects within the Recovery Zone that promote economic development, as measured by such criteria the City deems appropriate, and may include:

(1) Capital expenditures paid or incurred with respect to property located in the Recovery Zone, including working capital expenditures to promote development or other economic activity;

(2) Expenditures for public infrastructure and construction of public facilities; and

(3) Expenditures for job training and educational programs.

Section 4. Recovery Zone Facility Bonds - Eligible Activities/Projects. Eligible activities/projects that qualify for issuance of Recovery Zone Facility Bonds include any and all private activity bonds issued on behalf of qualified borrowers for projects located within the designated Recovery Zone, including qualifying capital improvements and infrastructure projects. Provided, however, qualifying projects do not include any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

Section 5. The City hereby finds that the Project will promote development or other economic activity within the City.

Section 6. The City reasonably expects that it will reimburse itself for certain capital expenditures in an amount not to exceed $2,000,000, made not more than 60 days prior to the date of adoption of this resolution and during the period following the adoption of this resolution and prior to delivery of the Bonds, in connection with the planning, design, acquisition, construction and equipping of the Project, to be undertaken or incurred prior to the execution and delivery of the Bonds, from the proceeds of the Bonds, which are reasonably expected to be executed and delivered within 18 months from the later of (i) the expenditure for payment of said costs or (ii) the placing of the Project in service.

Section 7. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Code (the "Reimbursement Regulations").

Section 8. The source of payment for such capital expenditures will be the revenue account of the water system and, upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures may be applied to reimbursement of such account.

Section 9. The maximum principal amount of Bonds to be issued for the Project, in one or more series, (including costs of issuance of the Bonds and related costs) is $10,000,000.

Section 10. Compliance. Notwithstanding any provisions to the contrary which may be contained within this Resolution, all activities/projects financed through the issuance of Recovery Zone Bonds shall comply with all applicable existing Federal, State, and Local laws, rules, and regulations.

Section 11. Severability Clause. If any provision of this article or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or applications. To this end, the provisions of this article are declared severable.

Section 12. Effective Date. This Resolution shall become effective immediately.

Adopted this May 3, 2010

CITY OF ST. ALBANS

By: _____
Its Mayor

CERTIFICATION

The undersigned, being the duly appointed, qualified and acting Clerk of the City of St. Albans (the "City"), does hereby certify that the foregoing is a true, correct and complete copy of an Resolution duly enacted by the Council of the City at a regular meeting, duly held on May 3, 2010, pursuant to proper notice, at which a quorum was present and acting throughout, and which Resolution has not been amended, modified, rescinded, repealed, annulled, revoked or otherwise altered as witness my hand and the seal of the City this May 3, 2010.

By: Barbara Cunningham
Clerk

West Virginia
Open for Business!

West Virginia Economic Development Authority

May 21, 2010

John Stump
PO Box 1588
Charleston, WV 25326

Dear Mr. Stump:

The West Virginia Economic Development Authority board of directors approved the City of St. Albans request for $10,000,000 RecoveryZone Economic Development BondVolume CAP at the May 20, 2010 board meeting.

Please be aware that if the bonds are not issued before December 31, 2010 or if the bonds are issued in amount lesser than the amount of Volume CAP approved that a notification must be sent to the Governor's Office.

Sincerely,

David A. Warner

David A. Warner
Executive Director

NorthGate Business Park, 160 Association Drive, Charleston, WV 25311-1217 · (304) 558-3650 · (304) 558-0206 (fax)

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
(304) 353-8196 Phone
(304) 353-8181 Fax
John.Stump@steptoe-johnson.com

January 27, 2011

City of St. Albans
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed envelope.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,

John C. Stump

JCS/bsl
Enclosure
858350.00006

5681502

FILE COPY

Form **8038-G** (Rev. May 2010) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name: City of St. Albans	2 Issuer's employer identification number (EIN): 55 6000246
3 Number and street (or P.O. box if mail is not delivered to street address): PO Box 1488 — Room/suite:	4 Report number (For IRS Use Only): 3
5 City, town, or post office, state, and ZIP code: St. Albans, West Virginia 25177	6 Date of issue: 12/23/2010
7 Name of issue: Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B	8 CUSIP number: 78717SCG1
9 Name and title of officer of the issuer or other person whom the IRS may call for more information: Richard Callaway, Mayor	10 Telephone number of officer or other person: (304) 722.3391

Part II Type of Issue (enter the issue price) See instructions and attach schedule

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	150,000
16	Housing	16	
17	Utilities	17	
18	Other. Describe ▶	18	
19	If obligations are TANs or RANs, check only box 19a ▶ ☐		
	If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/01/2013	$ 150,000	$ 150,000	2.406 years	4.5012 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	150,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	140,287		
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to currently refund prior issues	27			
28	Proceeds used to advance refund prior issues	28			
29	Total (add lines 24 through 28)			29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	9,713

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶ _____

34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☒

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative	Date	Type or print name and title
	12/23/10	Richard Callaway, Mayor

Paid Preparer's Use Only

Preparer's signature	Date 12/23/10	Check if self-employed ☐	Preparer's SSN or PTIN P01236822
Firm's name (or yours if self-employed), address, and ZIP code	Steptoe & Johnson PLLC PO Box 1588, Charleston, WV 25326	EIN 55 : 0286140 Phone no. (304) 353.8000	

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

NEW ISSUE REPORT FORM

Date of Report: 23-Dec-10

ISSUE: City of St. Albans
Combined Waterworks & Sewerage System Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds)

ADDRESS: P.O. Box 1488, St. Albans, West Virginia 25177 COUNTY: Kanawha

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 23-Dec-10
CLOSING DATE: 23-Dec-10
ISSUE AMOUNT: $8,270,000.00
RATE:
1ST DEBT SERVICE DUE 01-Jun-11
1ST PRINCIPAL DU 01-Dec-12
1ST DEBT SERVICE AMOUN see attached
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Goodwin & Goodwin
Contact: William Bragg, Esquire
Phone: 304.346.7000

CLOSING BANK:
Bank: United Bank, Inc
Contact: Kathy Smith
Phone: 304.348.8427

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Dick Callaway
Position: Mayor
Phone: 304.722.3391

OTHER:
Agency: Underwriter - Crews & Associates
Contact: Greg Isaacs
Position: Senior Managing Director
Phone: 304.344.1733

DEPOSITS TO MBC AT CLOSE

By:				
	x	Wire		Accrued Interest: $
		Check	x	Capitalized Interest: $ 519,794.13
			x	Reserve Account: $ 531,282.50
				Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:				
		Wire		To Escrow Trustee $
		Check		To Issuer $
		IGT		To Cons. Invest. Func $
				To Other: $

NOTES: Series 2010 A Bonds Reserve Account fully funded by bond proceeds

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

Final

$8,270,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

(RZED - - Non Rated)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Subsidy	Total P+I	DSR	CIF	Net New D/S	Fiscal Total
12/23/2010	-	-	-	-	-	-	-	-	-
06/01/2011	-	-	288,267.71	(129,720.46)	158,547.25	-	(158,547.25)	-	-
12/01/2011	-	-	328,406.25	(147,782.81)	180,623.44	-	(180,623.44)	-	-
06/01/2012	-	-	328,406.25	(147,782.81)	180,623.44	-	(180,623.44)	-	-
12/01/2012	-	-	328,406.25	(147,782.81)	180,623.44	-	-	180,623.44	180,623.44
06/01/2013	-	-	328,406.25	(147,782.81)	180,623.44	-	-	180,623.44	-
12/01/2013	95,000.00	6.750%	328,406.25	(147,782.81)	275,623.44	-	-	275,623.44	456,246.88
06/01/2014	-	-	325,200.00	(146,340.00)	178,860.00	-	-	178,860.00	-
12/01/2014	170,000.00	6.750%	325,200.00	(146,340.00)	348,860.00	-	-	348,860.00	527,720.00
06/01/2015	-	-	319,462.50	(143,758.12)	175,704.38	-	-	175,704.38	-
12/01/2015	175,000.00	6.750%	319,462.50	(143,758.12)	350,704.38	-	-	350,704.38	526,408.76
06/01/2016	-	-	313,556.25	(141,100.31)	172,455.94	-	-	172,455.94	-
12/01/2016	185,000.00	6.750%	313,556.25	(141,100.31)	357,455.94	-	-	357,455.94	529,911.88
06/01/2017	-	-	307,312.50	(138,290.62)	169,021.88	-	-	169,021.88	-
12/01/2017	190,000.00	6.750%	307,312.50	(138,290.62)	359,021.88	-	-	359,021.88	528,043.76
06/01/2018	-	-	300,900.00	(135,405.00)	165,495.00	-	-	165,495.00	-
12/01/2018	200,000.00	6.750%	300,900.00	(135,405.00)	365,495.00	-	-	365,495.00	530,990.00
06/01/2019	-	-	294,150.00	(132,367.50)	161,782.50	-	-	161,782.50	-
12/01/2019	205,000.00	6.750%	294,150.00	(132,367.50)	366,782.50	-	-	366,782.50	528,565.00
06/01/2020	-	-	287,231.25	(129,254.06)	157,977.19	-	-	157,977.19	-
12/01/2020	215,000.00	6.750%	287,231.25	(129,254.06)	372,977.19	-	-	372,977.19	530,954.38
06/01/2021	-	-	279,975.00	(125,988.75)	153,986.25	-	-	153,986.25	-
12/01/2021	220,000.00	7.750%	279,975.00	(125,988.75)	373,986.25	-	-	373,986.25	527,972.50
06/01/2022	-	-	271,450.00	(122,152.50)	149,297.50	-	-	149,297.50	-
12/01/2022	230,000.00	7.750%	271,450.00	(122,152.50)	379,297.50	-	-	379,297.50	528,595.00
06/01/2023	-	-	262,537.50	(118,141.87)	144,395.63	-	-	144,395.63	-
12/01/2023	240,000.00	7.750%	262,537.50	(118,141.87)	384,395.63	-	-	384,395.63	528,791.26
06/01/2024	-	-	253,237.50	(113,956.87)	139,280.63	-	-	139,280.63	-
12/01/2024	250,000.00	7.750%	253,237.50	(113,956.87)	389,280.63	-	-	389,280.63	528,561.26
06/01/2025	-	-	243,550.00	(109,597.50)	133,952.50	-	-	133,952.50	-
12/01/2025	260,000.00	7.750%	243,550.00	(109,597.50)	393,952.50	-	-	393,952.50	527,905.00
06/01/2026	-	-	233,475.00	(105,063.75)	128,411.25	-	-	128,411.25	-
12/01/2026	270,000.00	8.000%	233,475.00	(105,063.75)	398,411.25	-	-	398,411.25	526,822.50
06/01/2027	-	-	222,675.00	(100,203.75)	122,471.25	-	-	122,471.25	-
12/01/2027	285,000.00	8.000%	222,675.00	(100,203.75)	407,471.25	-	-	407,471.25	529,942.50
06/01/2028	-	-	211,275.00	(95,073.75)	116,201.25	-	-	116,201.25	-
12/01/2028	295,000.00	8.000%	211,275.00	(95,073.75)	411,201.25	-	-	411,201.25	527,402.50
06/01/2029	-	-	199,475.00	(89,763.75)	109,711.25	-	-	109,711.25	-
12/01/2029	310,000.00	8.000%	199,475.00	(89,763.75)	419,711.25	-	-	419,711.25	529,422.50
06/01/2030	-	-	187,075.00	(84,183.75)	102,891.25	-	-	102,891.25	-
12/01/2030	325,000.00	8.000%	187,075.00	(84,183.75)	427,891.25	-	-	427,891.25	530,782.50
06/01/2031	-	-	174,075.00	(78,333.75)	95,741.25	-	-	95,741.25	-
12/01/2031	335,000.00	8.250%	174,075.00	(78,333.75)	430,741.25	-	-	430,741.25	526,482.50
06/01/2032	-	-	160,256.25	(72,115.31)	88,140.94	-	-	88,140.94	-
12/01/2032	350,000.00	8.250%	160,256.25	(72,115.31)	438,140.94	-	-	438,140.94	526,281.88
06/01/2033	-	-	145,818.75	(65,618.43)	80,200.32	-	-	80,200.32	-
12/01/2033	370,000.00	8.250%	145,818.75	(65,618.43)	450,200.32	-	-	450,200.32	530,400.64
06/01/2034	-	-	130,556.25	(58,750.31)	71,805.94	-	-	71,805.94	-
12/01/2034	385,000.00	8.250%	130,556.25	(58,750.31)	456,805.94	-	-	456,805.94	528,611.88
06/01/2035	-	-	114,675.00	(51,603.75)	63,071.25	-	-	63,071.25	-
12/01/2035	400,000.00	8.250%	114,675.00	(51,603.75)	463,071.25	-	-	463,071.25	526,142.50
06/01/2036	-	-	98,175.00	(44,178.75)	53,996.25	-	-	53,996.25	-
12/01/2036	420,000.00	8.500%	98,175.00	(44,178.75)	473,996.25	-	-	473,996.25	527,992.50
06/01/2037	-	-	80,325.00	(36,146.25)	44,178.75	-	-	44,178.75	-
12/01/2037	440,000.00	8.500%	80,325.00	(36,146.25)	484,178.75	-	-	484,178.75	528,357.50
06/01/2038	-	-	61,625.00	(27,731.25)	33,893.75	-	-	33,893.75	-
12/01/2038	460,000.00	8.500%	61,625.00	(27,731.25)	493,893.75	-	-	493,893.75	527,787.50
06/01/2039	-	-	42,075.00	(18,933.75)	23,141.25	-	-	23,141.25	-
12/01/2039	485,000.00	8.500%	42,075.00	(18,933.75)	508,141.25	-	-	508,141.25	531,282.50
06/01/2040	-	-	21,462.50	(9,658.12)	11,804.38	-	-	11,804.38	-
12/01/2040	505,000.00	8.500%	21,462.50	(9,658.12)	516,804.38	(531,282.50)	-	(14,478.12)	(2,673.74)
Total	**$8,270,000.00**	-	**$13,013,461.46**	**(5,856,057.55)**	**$15,427,403.91**	**(531,282.50)**	**(519,794.13)**	**$14,376,327.28**	-

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

NEW ISSUE REPORT FORM

Date of Report: 12/23/2010

ISSUE: City of St. Albans
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (Bank Qualified)

ADDRESS: P.O. Box 1488, St. Albans, West Virginia 25177 COUNTY: Kanawha

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 23-Dec-10
CLOSING DATE: 23-Dec-10
ISSUE AMOUNT: $150,000.00
RATE:
1ST DEBT SERVICE DUE 1-Jun-11
1ST PRINCIPAL DU 1-Dec-12
1ST DEBT SERVICE AMOUN see attached
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Goodwin & Goodwin
Contact: William Bragg, Esquire
Phone: 304.346.7000

CLOSING BANK:
Bank: United Bank, Inc
Contact: Kathy Smith
Phone: 304.348.8427

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Dick Callaway
Position: Mayor
Phone: 304.722.3391

OTHER:
Agency: Underwriter - Crews & Associates
Contact: Greg Isaacs
Position: Senior Managing Director
Phone: 304.344.1733

DEPOSITS TO MBC AT CLOSE

By:				
x	Wire		Accrued Interest:	$
	Check	x	Capitalized Interest:	$ 9,712.50
			Reserve Account:	$
			Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:			
	Wire		To Escrow Trustee	$
	Check		To Issuer	$
	IGT		To Cons. Invest. Fun	$
			To Other:	$

NOTES: Series 2010 B Bonds Reserve Account is not required

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

32 B

Final

$150,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

(Tax Exempt - - Non Rated)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
12/23/2010	-	-	-	-	-	-	-
06/01/2011	-	-	2,962.50	2,962.50	(2,962.50)	-	-
12/01/2011	-	-	3,375.00	3,375.00	(3,375.00)	-	-
06/01/2012	-	-	3,375.00	3,375.00	(3,375.00)	-	-
12/01/2012	80,000.00	4.500%	3,375.00	83,375.00	-	83,375.00	83,375.00
06/01/2013	-	-	1,575.00	1,575.00	-	1,575.00	-
12/01/2013	70,000.00	4.500%	1,575.00	71,575.00	-	71,575.00	73,150.00
Total	**$150,000.00**	-	**$16,237.50**	**$166,237.50**	**(9,712.50)**	**$156,525.00**	-

Crews & Associates, Inc.

Capital Markets Group

State of West Virginia

Certificate

I, Natalie E. Tennant, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 8, ARTICLE 20 OF THE WEST VIRGINIA CODE, AND CHAPTER 8, ARTICLE 20 OF THE 2010 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on
December 21, 2010

Natalie E Tennant

Secretary of State

ARTICLE 20

COMBINED WATERWORKS AND SEWERAGE SYSTEMS

Part I—Combined Waterworks and Sewerage Systems Authorized; Definitions.

Section

8–20–1. Acquisition and operation of combined waterworks and sewerage systems; extension beyond corporate limits; definitions.

8–20–1a. Acquisition and operation of combined systems; extension beyond corporate limits; definitions.

8–20–1b. Cooperation with other governmental units.

8–20–1c. Severance of combined system.

Part II—Right of Eminent Domain.

8–20–2. Right of eminent domain; limitations.

Part III—Revenue Bond Financing.

8–20–3. Ordinance describing project; contents.

8–20–4. Publication of abstract of ordinance and notice; hearing.

8–20–5. Amount, negotiability and execution of bonds; refund of outstanding obligations or securities by sale or exchange of bonds.

8–20–6. Bonds payable solely from revenues; not to constitute municipal indebtedness.

8–20–7. Lien of bondholders.

8–20–8. Covenants with bondholders.

8–20–9. Operating contract.

8–20–10. Power and authority of municipality to enact ordinances and make rules and regulations and fix rates, fees or charges; change in rates, fees or charges; failure to cure delinquency; delinquent rates, fees or charges as liens; civil action for recovery thereof; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure.

8–20–11. Discontinuance of water service for nonpayment of rates or charges.

8–20–11a. Governmental entities subject to established rates.

8–20–12. Use of revenues; sinking fund.

8–20–13. System of accounts; audit.

8–20–14. Repair and maintenance of municipal sewerage system outside corporate limits.

8–20–15. Protection and enforcement of rights of bondholders, etc.; receivership.

Part IV—Grants, Loans and Advances; Cumulative Authority.

8–20–16. Grants, loans and advances.

8–20–17. Additional and alternative method for constructing, etc., and financing combined system; cumulative authority.

Part V—Operation by Board; Construction.

8–20–18. Alternative procedure for acquisition, construction, etc., of combined system.

8–20–19. Article to be liberally construed.

PART I—COMBINED WATERWORKS AND SEWERAGE SYSTEMS AUTHORIZED; DEFINITIONS

§ 8-20-1. Acquisition and operation of combined waterworks and sewerage systems; extension beyond corporate limits; definitions

Any municipality may acquire, construct, establish and equip and thereafter repair, maintain and operate a combined waterworks and sewerage system either wholly within or partly within and partly without the corporate limits thereof, under the provisions of this article, and any municipality owning and operating either a waterworks or a sewerage system, but not both, may acquire, construct, establish and equip the waterworks or sewerage system which it does not then own and operate, and in either of such cases such municipality may provide by ordinance that when such waterworks or sewerage system, or both, shall have been acquired, constructed, established and equipped, the same shall thereafter be owned, repaired, maintained and operated as a combined undertaking under the provisions of this article, and any municipality already owning and operating an existing waterworks system and an existing sewerage system may by ordinance combine the same into a single undertaking under the provisions of this article.

Any municipality which has combined its waterworks and sewerage system under the provisions of this article, or pursuant to provisions of any other law, may hereafter construct extensions, additions, betterments and improvements to either the waterworks system or the sewerage system of said combined waterworks and sewerage system, or both, and may finance the acquisition, construction, establishment and equipment of any such waterworks or sewerage system, or both, or the construction of extensions, additions, betterments and improvements to either the waterworks system or the sewerage system of such combined waterworks and sewerage system, or both, by the issuance of revenue bonds under the provisions of this article.

Notwithstanding the provisions of any other law or charter to the contrary, any such municipality may serve and supply the area included within twenty miles outside its corporate limits with the water or sewer services and facilities, or both, of its combined waterworks and sewerage system: Provided, That such water or sewer services and facilities shall not be served or supplied within the corporate limits of any other municipality without the consent of the governing body of such other municipality.

When used in this article, the term "waterworks system" shall be construed to mean and include a waterworks system in its entirety or any integral part thereof, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants, softening apparatus, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system; the term "sewerage system" shall be construed to mean and include any or all of the following: A sewage treatment plant or plants, collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations, ejector stations and all other appurtenances, extensions, additions and improvements necessary, appropriate, useful, conve-

nient or incidental for the collection, treatment and disposal in a sanitary manner of sewage and industrial wastes; and the term "combined waterworks and sewerage system" shall be construed to mean and include a waterworks and sewerage system, which a municipality determines by ordinance to operate in combination.

Acts 1939, c. 98, §§ 1, 2; Acts 1947, c. 112; Acts 1955, c. 131; Acts 1969, c. 86.

Cross References

Creation by charter provision of certain independent city boards, home rule powers for cities, see § 8–12–3.
General powers of every municipality and its governing body, see § 8–12–5.

Library References

Key Numbers
Municipal Corporations ⟹708.
Waters and Water Courses ⟹183.
Westlaw Key Number Searches: 268k708; 405k183.

Encyclopedias
C.J.S. Municipal Corporations §§ 1535 to 1536.
C.J.S. Waters §§ 228, 235.

Notes of Decisions

New and annexed tracts 1

1. New and annexed tracts

City, rather than sewer and water districts, was entitled to provide sewer and water services to newly developed tract that was within districts' boundaries, but was annexed to city, where such services were not previously furnished to tract. Code, 16–13A–8. Berkeley County Public Service Sewer Dist. v. West Virginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Municipal Corporations ⟹712(1)

If a tract of real estate located within a public service district has been annexed into a municipality, then, as between the municipality and the public service district, the municipality has the superior right to extend water and/or sewer service which were not being previously furnished to the tract by the public service district, and under those circumstances, a public service district would need the consent of the municipality and the Public Service Commission (PSC) in order to provide such service. Code, 16–13A–8. Berkeley County Public Service Sewer Dist. v. West Virginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Municipal Corporations ⟹712(1)

Awarding sewer and water service rights in newly developed tract to city, rather than to sewer and water districts, could reasonably be expected to provide appropriate protection to the relevant public interests, both existing and foreseeable. Berkeley County Public Service Sewer Dist. v. West Virginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Municipal Corporations ⟹712(1)

§ 8–20–1a. Acquisition and operation of combined systems; extension beyond corporate limits; definitions

(a) Any municipality may acquire, construct, establish and equip and thereafter repair, maintain and operate a combined waterworks, sewerage and stormwater system either wholly within or partly within and partly without the corporate limits thereof under the provisions of this article, and any municipality owning and operating a waterworks and sewerage system, but not a stormwater system, may acquire, construct, establish and equip the stormwater system which it does not then own and operate, and such municipality may provide by ordinance that when such stormwater system shall have been acquired, constructed, established and equipped, the same shall thereafter be owned, repaired, maintained and operated as a combined undertaking under the provisions of this article, and any municipality already owning and operat

ing an existing waterworks system, sewerage system, and stormwater system, may by ordinance combine the same into a single undertaking under the provisions of this article. However, no municipality may acquire, construct, establish and equip or thereafter repair, maintain and operate a combined waterworks, sewerage and stormwater system which includes highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways.

(b) Any municipality which has combined its waterworks, sewerage system and stormwater systems under the provisions of this article, or pursuant to the provisions of any other law, may hereafter construct extensions, additions, betterments and improvements to any of the systems, any combination thereof, or all of the waterworks, sewerage and stormwater systems of said combined waterworks, sewerage and stormwater system, and may finance the acquisition, construction, establishment and equipment thereof, or the construction or extensions, additions, betterments and improvements thereof by the issuance of revenue bonds under the provisions of this article.

(c) Notwithstanding the provisions of any other law or charter to the contrary, any such municipality may serve and supply the area included within twenty miles outside its corporate limits with either the water, sewer or stormwater services, any combination of such services or all such services, of its combined waterworks, sewerage and stormwater system; provided that such water, sewer or stormwater services and facilities shall not be served or supplied within the corporate limits of any municipality without the consent of the governing body of such municipality: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

(d) As used in this article, the following terms shall have the following meanings unless the text clearly indicates otherwise.

(1) "Stormwater system" means a stormwater system in its entirety or any integral part thereof used to collect and dispose of stormwater and an associated stormwater management program. It includes all facilities, structures and natural water courses used for collecting and conducting stormwater to, through and from drainage areas to the points of final outlet, including, but not limited to, any and all of the following: Inlets, conduits, outlets, channels, ponds, drainage ways, easements, water quality facilities, catch basins, ditches, streams, gulches, flumes, culverts, siphons, retention or detention basins, dams, floodwalls, pipes, flood control systems, levies and pumping stations. The term "stormwater system" shall not include highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways.

(2) "Combined waterworks, sewerage and stormwater system" means a waterworks, sewerage and stormwater system which a municipality determines by ordinance to operate in combination

(3) "Combined system" means either a combined waterworks, sewerage and stormwater system, or a combined waterworks and sewerage system.

(4) "Stormwater management program" means those activities associated with the management, operation and maintenance and control of stormwater and stormwater systems, and shall include and not be limited to public education, stormwater and surface runoff water quality improvement, mapping, planning, flood control, inspection, enforcement and any other activities required by state and federal law. The term "stormwater management program" shall not include those activities associated with the management, operation, maintenance and control of highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways.

Acts 1976, c. 83; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

Municipal Corporations ⚷708.
Waters and Water Courses ⚷183.
Westlaw Key Number Searches: 268k708; 405k183.

Encyclopedias

C.J.S. Municipal Corporations §§ 1535 to 1536.
C.J.S. Waters §§ 228, 235.

§ 8–20–1b. Cooperation with other governmental units

In carrying out any lawful purpose prescribed by this article, any municipality may, in the exercise of its powers, duties and responsibilities, cooperate or join with the state of West Virginia or any political subdivision, agency, board, commission, office or department thereof, however designated, or with the United States of America or any agency or department thereof.

Acts 1986, c. 118; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

§ 8–20–1c. Severance of combined system

Any municipality which has combined its waterworks and sewerage systems or waterworks, sewerage and stormwater systems, under the provisions of this article, or pursuant to provisions of any other law, may hereafter sever said combined system if the following conditions are met:

(a) An ordinance is enacted by the governing body of the municipality severing the combined system into separate systems.

(b) If revenue bonds or notes or other obligations with a lien on or pledge of the revenues of said combined system, or any part thereof, are outstanding, then the municipality must provide in said ordinance that the severance of the combined system is not effective until all such outstanding revenue bonds or notes or other obligations with a lien on or pledge of the revenues of the system, or any part thereof, are paid and the method for paying said outstanding revenue bonds or notes or other obligations. For the purposes of this section, said municipality may provide for payment of said outstanding revenue bonds or notes or other obligations by:

(1) Depositing moneys and funds with the West Virginia municipal bond commission or in escrow with a corporate trustee, which may be a trust company or bank having powers of a trust company within or without the state of West Virginia selected by the issuer to pay interest when due and to pay principal when due, whether at maturity or earlier redemption;

(2) Depositing securities with the municipal bond commission or said escrow trustee, the principal of and earnings on which will provide moneys sufficient to pay interest when due and to pay principal when due, whether at maturity or earlier redemption; or

(3) Depositing with the municipal bond commission or said escrow trustee any combination of the foregoing sufficient to pay interest when due and to pay principal when due, whether at maturity or earlier redemption.

(c) If the combined system is under the supervision and control of a separate committee, board or commission, then the governing body of the municipality must provide for the dissolution of the committee, board or commission, and the creation of other committees, boards or commissions as may be required by law.

Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

Municipal Corporations ⇐708.
Waters and Water Courses ⇐183.
Westlaw Key Number Searches: 268k708; 405k183.

Encyclopedias

C.J.S. Municipal Corporations §§ 1535 to 1536.
C.J.S. Waters §§ 228, 235.

PART II—RIGHT OF EMINENT DOMAIN

§ 8-20-2. Right of eminent domain; limitations

For the purpose of acquiring, constructing, establishing or extending any system within a combined system, or a combined system, or for the purpose of constructing any additions, betterments or improvements to any system within a combined system, or a combined system, or for the purpose of acquiring any property necessary, appropriate, useful, convenient or incidental for or to any system within a combined system, or combined system, under the provisions of this article, the municipality shall have the right of eminent domain as provided in chapter fifty-four of this code: Provided, That such right of eminent domain for the acquisition of a complete privately owned waterworks system may not be exercised without prior approval of the public service commission, and in no event shall any municipality construct, establish or extend beyond the corporate limits of the municipality a municipal waterworks system or a combined system under the provisions of this article to supply service in competition with an existing privately or municipally owned waterworks system or combined system in the municipality or within the proposed extension of the system, unless, except in the case of a stormwater system, a certificate of public convenience and necessity therefor shall have been issued by the public service commission.

Provided, however, that the power of eminent domain provided in this section shall not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways.

Acts 1947, c. 112; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers
Eminent Domain ⇐28, 32.
Westlaw Key Number Searches: 148k28; 148k32.

Encyclopedias
C.J.S. Eminent Domain §§ 38 to 39, 44 to 45.

PART III—REVENUE BOND FINANCING

§ 8-20-3. Ordinance describing project; contents

The governing body of any municipality availing itself of the provisions of this article shall adopt an ordinance describing in a general way the contemplated project. If it is intended to include in the combined system any existing waterworks system or any existing sewerage system, or both, or if applicable, any existing stormwater system, or any of them, or all of them, the ordinance shall provide that it or they be so included in the combined system and shall describe in a general way such existing waterworks or sewerage system or both, or, if applicable, any existing stormwater system, or any of them, or all of them, to be included in the combined system. The ordinance shall state the means provided for refunding any obligations unpaid and outstanding payable solely from the revenues of any such waterworks or sewerage system, or both or if applicable, any existing stormwater system, or any of them, or all of them. The ordinance shall determine the period of usefulness of the contemplated project.

If it is intended to acquire, construct, establish and equip a combined system or any part thereof, or to construct extensions, additions, betterments and improvements to either the waterworks system or the sewerage system of the combined system, or both, or if applicable, any existing stormwater system, or any of them, or all of them, the ordinance shall describe in a general way the works or property or system to be acquired, constructed, established or equipped or the extensions, additions, betterments and improvements to be constructed.

The ordinance shall fix the amount of revenue bonds proposed to be issued, the interest rate or rates, and any other details in connection with the bonds considered advisable. The ordinance may state that the bonds, or such one thereof as may be specified, shall, to the extent and in the manner prescribed, be subordinated and be junior in standing, with respect to principal and interest and the security thereof, to such other bonds as are designated in the ordinance.

Acts 1939, c. 98, § 4; Acts 1947, c. 112; Acts 1949, c. 91; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers
Municipal Corporations ⟹300.
Westlaw Key Number Search: 268k300.

Encyclopedias
C.J.S. Municipal Corporations § 991.

§ 8–20–4. Publication of abstract of ordinance and notice; hearing

After the ordinance for any project under the provisions of this article has been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be such municipality. The notice to be published with said abstract of the ordinance shall state that said ordinance has been adopted, that the municipality contemplates the issuance of the bonds described in the ordinance, that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the date of the first publication of such abstract and notice and which shall not be prior to the date of the last publication of such abstract and notice, and present protests and that a certified copy of the ordinance is on file with the governing body for review by interested parties during the office hours of the governing body. At such hearing all protests and suggestions shall be heard and the governing body shall take such action as it shall deem proper in the premises: Provided, That if at such hearing written protest is filed by thirty percent or more of the freeholders of the municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of said governing body assent thereto.

Acts 1939, c. 98, § 5; Acts 1947, c. 112; Acts 1967, c. 105; Acts 1969, c. 86; Acts 1971, c. 103; Acts 1981, 1st Ex. Sess., c. 2.

Library References

Key Numbers
Municipal Corporations ⟹294(7).
Westlaw Key Number Search: 268k294(7).

Encyclopedias
C.J.S. Municipal Corporations § 981.

§ 8–20–5. Amount, negotiability and execution of bonds; refund of outstanding obligations or securities by sale or exchange of bonds

For the purpose of defraying the cost of acquisition, construction, establishment or equipment of any system within a combined system, or a combined system, and for the purpose of paying the cost of constructing any extensions, additions, betterments or improvements to any of the systems of said combined system, or all of them, any such municipality may issue revenue bonds under the provisions of this article.

All such bonds may be authorized, issued and sold pursuant to ordinance in installments at different times or an entire issue or series may be sold at one time. Such bonds shall bear interest at a rate not to exceed twelve percent per annum, payable at such times, and shall mature within the period of usefulness

of the project involved, to be determined by the governing body and in a event within a period of not more than forty years. The bonds may be denomination or denominations, may be in such form, either coupon registered, may carry registration and conversion privileges, may be execu in such manner, may be payable in such medium of payment, at such place places, may be subject to terms of redemption, with or without a premium, n be declared to become due before the maturity date thereof, may provide the replacement of mutilated, destroyed, stolen or lost bonds, may be authe cated in such manner and upon compliance with such conditions, and r contain other terms and covenants, as may be provided by ordinance of governing body of the municipality. Notwithstanding the form or tenor ther and in the absence of an express recital on the face thereof that the bon nonnegotiable, all bonds shall at all times be, and shall be treated as, negoti instruments for all purposes.

The bonds and the interest thereon, together with all properties and facil of the municipality owned or used in connection with the combined sys and all the moneys, revenues and other income of such municipality der from the combined system shall be exempt from all taxation by this state or county, municipality, political subdivision or agency thereof. Bonds may be in such manner as the governing body shall determine. If any bonds sha issued to bear interest at a rate of twelve percent per annum, the price at w they may be sold shall be such that the interest cost to the municipality o proceeds of the bonds may not exceed thirteen percent per annum comput maturity according to the standard table of bond values.

If the governing body of the municipality determines to sell any rev bonds of such combined system for refunding purposes, the proceeds o bonds shall be deposited at the place of payment of the bonds, obligatio securities being refunded thereby.

In case any officer whose signature appears on the bonds or co attached thereto shall cease to be such officer before the delivery of the to the purchaser, such signature shall nevertheless be valid and sufficient purposes, with the same effect as if he or she had remained in office un delivery of the bonds. All signatures on the bonds or coupons and the cor seal may be mechanically reproduced if authorized in the ordinance aut ing the issuance of the bonds. The bonds shall have all the qualit negotiable instruments under the laws of this state.

Whenever a waterworks and sewerage system or stormwater syst applicable, is included in a combined system under the provisions of this and there are unpaid and outstanding revenue bonds or any other oblig or securities previously issued which are payable solely from the reven the waterworks or the sewerage system or stormwater system, if applica any part thereof, such outstanding bonds, obligations or securities n refunded by the issuance and sale or exchange therefor of revenue bond issued under the provisions of this article.

Whenever any outstanding bonds, obligations or securities previously issued which are payable solely from the revenues of any waterworks or sewerage system, or stormwater system, if applicable, included in a combined system under the provisions of this article are refunded and the refunding is to be accomplished by exchange, such outstanding bonds, obligations or securities shall be surrendered and exchanged for revenue bonds of such combined system of a total principal amount which shall not be more and may be less than the principal amount of the bonds, obligations or securities surrendered and exchanged plus the interest to accrue thereon to the date of surrender and exchange, and if the refunding is to be accomplished through the sale of revenue bonds of such combined system the total principal amount of such revenue bonds which may be sold for refunding purposes shall not exceed the principal amount of the bonds, obligations or securities being refunded plus the interest to accrue thereon to the retirement date or the next succeeding interest payment date, whichever date may be earlier.

Provision may be made that each bond to be exchanged for refunding bonds shall be kept intact and shall not be canceled or destroyed until the refunding bonds, and interest thereon, have been finally paid and discharged, but each bond shall be stamped with a legend to the effect that the same has been refunded pursuant to the provisions of this article.

Acts 1939, c. 98, § 3; Acts 1947, c. 112; Acts 1957, c. 123; Acts 1969, c. 86; Acts 1970, c. 7; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

Municipal Corporations ⟹911, 922.
Taxation ⟹218.
Westlaw Key Number Searches: 268k911; 268k922; 371k218.

Encyclopedias

C.J.S. Municipal Corporations § 1649.
C.J.S. Taxation § 260.

§ 8-20-6. Bonds payable solely from revenues; not to constitute municipal indebtedness

Bonds issued under the provisions of this article shall be payable solely from the revenues derived from the combined system, and the bonds may not in any event constitute an indebtedness of such municipality within the meaning of any constitutional or statutory provision or limitation and it shall be plainly stated on the face of each bond that the same has been issued under the provisions of this article, and that it does not constitute an indebtedness of the municipality within any constitutional or statutory provision or limitation. The ordinance authorizing the issuance of the bonds may contain such covenants and restrictions upon the issuance of additional revenue bonds thereafter as may be considered necessary or advisable for the assurance of payment of the bonds thereby authorized and as may thereafter be issued.

Acts 1939, c. 98, § 6; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers
Municipal Corporations ⟹950(15).
Westlaw Key Number Search: 268k950(15).

Encyclopedias
C.J.S. Municipal Corporations §§ 1708 1709.

§ 8–20–7. Lien of bondholders

There shall be and there is hereby created and granted a statutory mortga lien upon such combined system which shall exist in favor of the holder bonds hereby authorized to be issued, and each of them, and to and in favor the holder of the coupons attached to said bonds, and such combined syst shall remain subject to such statutory mortgage lien until payment in full of principal of and interest upon said bonds. However, no lien may attach to portion of any highways, road or drainage easements or stormwater facili constructed, owned or operated by the West Virginia Division of Highwa

Any municipality in acquiring an existing waterworks system may prov that payment therefor shall be made by issuing revenue bonds and deliver the same at such prices as may be agreed upon within the limitations scribed in section five hereof. Any revenue bonds so issued in payment for existing waterworks system shall for all purposes be regarded as partakin the nature of and as being secured by a purchase money mortgage upon property so acquired; and the holders thereof shall have, in addition to other remedies and rights prescribed by this article, remedies and rights as now or hereafter exist in law in the case of purchase money mortga

Acts 1939, c. 98, § 8; Acts 1947, c. 112; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 after April 14, 2001.

Library References

Key Numbers
Municipal Corporations ⟹950(15).
Westlaw Key Number Search: 268k950(15).

Encyclopedias
C.J.S. Municipal Corporations §§ 17 1709.

§ 8–20–8. Covenants with bondholders

Any ordinance authorizing the issuance of bonds hereunder, or any indenture with any banking institution or trust company, within or withou state, for the security of said bonds, which any municipality is hereby em ered and authorized to enter into and execute, may contain covenants wit holders of the bonds as to:

(a) The purpose or purposes to which the proceeds of sale of bonds o revenues derived from said combined system may be applied and the secu use and disposition thereof, including, if considered desirable, the appoint of a trustee or depository for any of the funds;

(b) The pledging of all or any part of the revenues derived from ownership, control or operation of such combined system, including an thereof heretofore or hereafter acquired, constructed, established, exte equipped, added to, bettered or improved or derived from any other sourc the payment of the principal of or interest thereon of bonds issued here and for reserve or other funds as may be considered necessary or desi

(c) The fixing, establishing and collecting of rates, fees or charges for the use of the services and facilities of the combined system, including the parts thereof heretofore or hereafter acquired, constructed, established, extended, equipped, added to, bettered or improved and the revision of same from time to time, as will always provide revenues at least sufficient to provide for all expenses of repair, maintenance and operation of such combined system, the payment of the principal of and interest upon all bonds or other obligations payable from the revenues of such combined system, and all reserve and other funds required by the terms of the ordinance authorizing the issuance of bonds;

(d) The transfer from the general funds of the municipality to the account or accounts of the combined system of an amount equal to the cost of furnishing the municipality or any of its departments, boards or agencies with the services and facilities of such combined system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenues of such combined system, and the rank or priority, as to lien and source and security for payment from the revenues of such combined system, between bonds payable from the revenues;

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the performance of any covenant or agreement with bondholders, and the manner and terms upon which defaults may be declared cured and the acceleration of the maturity of the bonds rescinded and repealed;

(g) Budgets for the annual repair, maintenance and operation of such combined system and restrictions and limitations upon expenditures for the purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of the budgets by consulting engineers designated by holders of bonds issued hereunder;

(h) The amounts of insurance to be maintained upon the combined system, or any part thereof, and the use and disposition of the proceeds of any insurance; and

(i) The keeping of books of account, relating to such undertaking and the audit and inspection thereof, and the furnishing to the holders of bonds issued hereunder or their representatives, reports prepared, certified or approved by accountants designated or approved by the holders of bonds issued hereunder.

Any ordinance or trust indenture may also contain other additional covenants as shall be considered necessary or desirable for the security of the holders of bonds issued under the provisions of this article, notwithstanding that other covenants are not expressly enumerated above, it being the intention hereof to grant to municipalities plenary power and authority to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant to municipalities full and complete power and

authority to enter into any contracts, covenants or agreements with holders of bonds issued hereunder not inconsistent with the constitution of this state

Acts 1955, c. 131; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14, 2001

Library References

Key Numbers
Municipal Corporations ⚷950(15).
Westlaw Key Number Search: 268k950(15).

Encyclopedias
C.J.S. Municipal Corporations §§ 1708 1709.

§ 8–20–9. Operating contract

Any municipality may enter into contracts or agreements with any person for: (1) The repair, maintenance and operation and management of the facilities and properties of the combined system, or any part thereof; or (2) the collection and disbursement of the income and revenues thereof, or for both (1) and (2) for the period of time and under terms and conditions as shall be agreed upon between the municipality and such persons. Any municipality shall have plenary power and authority to provide in the ordinance authorizing the issuance of bonds hereunder, or in any trust indenture securing the bonds, that the contracts or agreements shall be valid and binding upon the municipality as long as any of the bonds, or interest thereon, is outstanding and unpa

Acts 1955, c. 131; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14, 20

Library References

Key Numbers
Municipal Corporations ⚷708.
Waters and Water Courses ⚷183.
Westlaw Key Number Searches: 268k708; 405k183.

Encyclopedias
C.J.S. Municipal Corporations §§ 1535 1536.
C.J.S. Waters §§ 228, 235.

§ 8–20–10. Power and authority of municipality to enact ordinances make rules and regulations and fix rates, fees or charges change in rates, fees or charges; failure to cure delinquency delinquent rates, fees or charges as liens; civil action recovery thereof; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclo

(a) The governing body of any municipality availing itself of the provisions this article shall have plenary power and authority to make, enact and enf all needful rules and regulations for the repair, maintenance and operation management of the combined system of such municipality and for the thereof, and shall also have plenary power and authority to make, enact enforce all needful rules and regulations and ordinances for the care protection of any such system, which may be conducive to the preservatio the public health, comfort and convenience and to rendering the water su of such municipality pure, the sewerage harmless insofar as it is reasona possible so to do, and if applicable properly collecting and controlling stormwater as is reasonably possible so to do: Provided, That no municip may make, enact or enforce any rule, regulation or ordinance regulating highways, road or drainage easements or stormwater facilities constru

owned or operated by the West Virginia Division of Highways except in accordance with chapter twenty-nine-a of this code.

Any municipality shall have plenary power and authority to charge the users for the use and service of combined system and to establish rates, fees or charges for such purpose. Separate rates, fees or charges may be fixed for the water and sewer services respectively, and, if applicable, the stormwater services, or combined rates, fees or charges for the combined water and sewer services, and, if applicable, the stormwater services. Such rates, fees or charges, whether separate or combined, shall be sufficient at all times to pay the cost of repair, maintenance and operation of the combined system, provide an adequate reserve fund and adequate depreciation fund and pay the principal of and interest upon all revenue bonds issued under this article. Rates, fees or charges shall be established, revised and maintained by ordinance and become payable as the governing body may determine by ordinance, and such rates, fees or charges shall be changed from time to time as needful, consistent with the provisions of this article.

(b) Whenever any rates, fees or charges for services or facilities furnished remain unpaid for a period of thirty days after the same become due and payable, the user of the services and facilities provided shall be delinquent and the user shall be held liable at law until such time as all rates, fees and charges are fully paid.

(c) All rates, fees or charges for water service, sewer service, and, if applicable, stormwater service, whenever delinquent, as provided by ordinance of the municipality, shall be liens of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes for the amount thereof upon the real property served, and the municipality shall have plenary power and authority from time to time to enforce such lien in a civil action to recover the money due for services rendered plus court fees and costs and a reasonable attorney's fee: Provided, That an owner of real property may not be held liable for the delinquent rates, fees or charges for services or facilities of a tenant, nor shall any lien attach to real property for the reason of delinquent rates, fees or charges for services or facilities of a tenant of the real property, unless the owner has contracted directly with the municipality to purchase such services or facilities.

(d) Municipalities are hereby granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrate court for the collection of the delinquent rates and charges. If the municipality collects the delinquent account, plus fees and costs, from its customer or other responsible party, the municipality shall pay to the magistrate court the filing fees or other fees and costs which were previously deferred.

(e) No municipality may foreclose upon the premises served by it for delinquent rates, fees or charges for which a lien is authorized by this section except through the bringing and maintenance of a civil action for the purpose brought in the circuit court of the county wherein the municipality lies. In every such action, the court shall be required to make a finding based upon the

evidence and facts presented that the municipality had exhausted all othe remedies for the collection of debts with respect to such delinquencies prior the bringing of the action. In no event shall foreclosure procedures be institute by any municipality or on its behalf unless the delinquency had been existence or continued for a period of two years from the date of the fir delinquency for which foreclosure is being sought.

Acts 1939, c. 98, § 7; Acts 1947, c. 112; Acts 1969, c. 86; Acts 1989, c. 133; Acts 199 c. 140; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

Municipal Corporations ⟹708.
Waters and Water Courses ⟹183.
Westlaw Key Number Searches: 268k708; 405k183.

Encyclopedias

C.J.S. Municipal Corporations §§ 1535, 1536.
C.J.S. Waters §§ 228, 235.

Notes of Decisions

Tort liability 1

1. Tort liability

A municipal ordinance that is enacted pursuant to the statutory power granted to municipalities to construct, operate, maintain, care for, and protect a sewer system, and that purports to limit, modify, or eliminate tort liabilities immunities related to that sewer system fashion that conflicts with the general law of state, is unenforceable and void, to the exte such conflict. Code, 8–20–10, 29–12A–5(a) Calabrese v. City of Charleston, 1999 S.E.2d 814, 204 W.Va. 650. Municipal Co rations ⟹ 70

§ 8–20–11. Discontinuance of water service for nonpayment of rates charges

Any municipality shall also have plenary power and authority, and covenant with the holders of any bonds issued hereunder, to shut off discontinue the supplying of the water service of the combined system for nonpayment of the rates, fees or charges for said water service or se service, or both, or, if applicable, stormwater service, or any combina thereof, or all of them.

Acts 1955, c. 133; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14,

Library References

Key Numbers

Waters and Water Courses ⟹203(13).
Westlaw Key Number Search: 405k203(13).

Encyclopedias

C.J.S. Waters § 305.

§ 8–20–11a. Governmental entities subject to established rates

The municipality and any county government, state government and fe government served by the services of the combined system shall be subje the same rates, fees or charges established in this article or to rates, fe charges established in harmony therewith, for service rendered to the go mental entity, and shall pay such rates, fees or charges when due corporate funds and the same shall be considered to be part of the reven the combined system as defined in this article, and be applied as provid this article, for the application of such revenues. However, no rates, fe

charges for combined services or stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways.

Acts 2001, c. 212, eff. 90 days after April 14, 2001.

§ 8-20-12. Use of revenues; sinking fund

All revenues derived from the operation of any combined system under the provisions of this article shall be set aside as collected and used only for the purpose of paying the cost of repairing, maintaining and operating such system, providing an adequate reserve fund, an adequate depreciation fund, and paying the principal of and interest upon the revenue bonds issued by the municipality under the provisions of this article. The ordinance pursuant to which any bonds are issued shall pledge the revenues derived from the combined system to the purposes aforesaid and shall definitely fix and determine the amount of revenues which shall be necessary and set apart in a special fund for the bond requirements. The amounts so set apart into said special fund for the bond requirements shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and the ordinance pursuant to which the bonds have been issued: Provided, That payments of principal of and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the municipality directly to the United States of America or said agency or department thereof.

Acts 1939, c. 98, § 9; Acts 1969, c. 86; Acts 1986, c. 118; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

Municipal Corporations ⟹951.
Westlaw Key Number Search: 268k951.

Encyclopedias

C.J.S. Municipal Corporations §§ 1704 to 1705.

§ 8-20-13. System of accounts; audit

Any municipality operating a combined system under the provisions of this article shall set up and maintain a proper system of accounts in accordance with the requirements of the public service commission, showing the amount of revenues received from the combined system and the application of the same. At least once each year the municipality shall cause the accounts to be properly audited, and a report of the audit shall be open to the public for inspection at all reasonable times.

Acts 1939, c. 98, § 10; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

Municipal Corporations ⟹885.
Westlaw Key Number Search: 268k885.

Encyclopedias

C.J.S. Municipal Corporations § 1629.

§ 8–20–14. Repair and maintenance of municipal sewerage system outsi corporate limits

Whenever a municipality collects rates or charges from users of any part of sewerage system located outside the corporate limits of such municipality f sewerage service rendered to such users, pursuant to the provisions of th article or other act or law, such municipality shall be responsible for the repa and maintenance of such sewerage system and the county court of the cour or counties in which such sewerage system is located shall not be liable responsible for the repair and maintenance of such sewerage system.

Acts 1957, c. 127; Acts 1969, c. 86.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers
Municipal Corporations ⚷708.
Westlaw Key Number Search: 268k708.

Encyclopedias
C.J.S. Municipal Corporations §§ 1535 1536.

§ 8–20–15. Protection and enforcement of rights of bondholders, etc.; ceivership

Any holder of any bonds issued under the provisions of this article or of coupons representing interest accrued thereon may by civil action, mandar or other proper proceeding enforce the statutory mortgage lien created granted in section seven of this article, protect and enforce any and all ri granted hereunder or under any such ordinance or trust indenture, and enforce and compel performance of all duties required by the provisions of article or by any ordinance or trust indenture to be performed by the mu pality or by the governing body or any officer, including the making collecting of reasonable and sufficient rates, fees or charges for serv rendered by the combined system.

If there be default in the payment of the principal of or interest upon an bonds, or of both principal and interest, any court having jurisdiction appoint a receiver to administer said combined system on behalf of municipality, and the bondholders or trustee, or both, with power to ch and collect rates, fees or charges sufficient to provide for the retirement o bonds and pay the interest thereon, and for the payment of the re maintenance and operation expenses, and the receiver shall apply the reve in conformity with the provisions of this article and the ordinance pursua which the bonds have been issued or trust indenture, or both.

Acts 1939, c. 98, § 8; Acts 1947, c. 112; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 after April 14, 2001.

Library References

Key Numbers
Municipal Corporations ⚷955(1).
Westlaw Key Number Search: 268k955(1).

PART IV—GRANTS, LOANS AND ADVANCES; CUMULATIVE AUTHORITY

§ 8-20-16. Grants, loans and advances

Any municipality is hereby empowered and authorized to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of acquisition, construction, establishment, extension or equipment of combined systems and the construction of additions, betterments and improvements thereto, and for the other purposes herein authorized, from any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of the said combined system or grants to the municipality from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article notwithstanding, interest on any loans or temporary advances may be paid from the proceeds thereof until the maturity of the notes or other negotiable instrument.

In no event shall any loan or temporary advance be a general obligation of the municipality and the loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section.

Acts 1961, c. 106; Acts 1969, c. 86; Acts 1981, 1st Ex. Sess., c. 2; Acts 1986, c. 118; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

United States ⟹82(2).
Westlaw Key Number Search: 393k82(2).

Encyclopedias

C.J.S. United States § 155.

§ 8-20-17. Additional and alternative method for constructing, etc., and financing combined system; cumulative authority

This article is, without reference to any other statute or charter provision, full authority for the acquisition, construction, establishment, extension, equipment, additions, betterment, improvement, repair, maintenance and operation of or to the combined system herein provided for and for the issuance and sale of the bonds by this article authorized, and is an additional and alternative method therefor and for the financing thereof, and no petition, referendum or election or other or further proceeding with respect to any undertaking or to the

issuance or sale of bonds under this article and no publication of any resolu tion, ordinance, notice or proceeding relating to any undertaking or to th issuance or sale of such bonds is required, except as prescribed by this articl any provisions of other statutes of the state to the contrary notwithstandin Provided, That all functions, powers and duties of the bureau of public heal and the division of environmental protection remain unaffected by this articl Provided, however, that no municipality may acquire, construct, establis extend, repair or equip or thereafter repair, maintain and operate a combine waterworks, sewerage or stormwater system which includes highways, ro and drainage easements, and/or stormwater facilities constructed, own and/or operated by the West Virginia Division of Highways without the expre agreement of the commissioner of highways.

This article is cumulative authority for any undertaking herein authorize and does not repeal any existing laws with respect thereto.

Acts 1933, Ex. Sess., c. 26, § 13; Acts 1969, c. 86; Acts 1994, c. 61; Acts 2001, c. 21 eff. 90 days after April 14, 2001.

PART V—OPERATION BY BOARD; CONSTRUCTION

§ 8–20–18. Alternative procedure for acquisition, construction, etc., combined system

(a) As an alternative to the procedure provided in this article, any municipa ty is hereby empowered and authorized to acquire, construct, establish, exte equip, repair, maintain and operate a combined system or to construct, ma tain and operate additions, betterments and improvements thereto, whet acquired, constructed, established, extended or equipped under the provisi of this article or not, and to collect the revenues therefrom for the servi rendered thereby, through the supervision and control of a committee, whatever name called, composed of all or of a portion of the governing body, of a board or commission appointed by the governing body, as may be provi by the governing body, and if such alternative is followed, said commit board or commission shall have and be limited to all the powers, authority a duties granted to and imposed upon a board as provided in article sixteen this chapter.

However, no municipality may acquire, construct, establish, extend, repai equip or thereafter repair, maintain and operate a combined waterwo sewerage or stormwater system, which includes highways, road and drain easements, and/or stormwater facilities constructed, owned and/or operated the West Virginia Division of Highways without the express agreement of commissioner of highways.

(b) In the event that the waterworks or sewerage system or both, o applicable, stormwater services, are in existence prior to the creation of combined system, and the waterworks or sewerage system or both, an applicable, stormwater services, are supervised and controlled by a commit board or commission, and the alternative provided for in subsection (a) of

section is to be followed with respect to the supervision and control of the combined system, the governing body may by ordinance, after the creation of the combined system, provide:

(1) The manner of and procedure for transferring supervision and control from each separate committee, board or commission to the committee, board or commission which is supervising and controlling the combined system; or

(2) The manner of and procedure for combining each separate committee, board or commission into one committee, board or commission and transferring thereto supervision and control as aforesaid.

Acts 1961, c. 104; Acts 1969, c. 86; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Key Numbers

Municipal Corporations ⚷708.
Waters and Water Courses ⚷183.
Westlaw Key Number Searches: 268k708; 405k183.

Encyclopedias

C.J.S. Municipal Corporations' §§ 1535 to 1536.
C.J.S. Waters §§ 228, 235.

§ 8-20-19. Article to be liberally construed

This article is necessary for the public health, safety and welfare and shall be liberally construed to effectuate its purposes.

Acts 1933, Ex. Sess., c. 26, § 14; Acts 1969, c. 86.

West's

Annotated Code of West Virginia

Using the Classification and Numbering System of the 1931 Code of West Virginia, as Amended

Chapters 8 to 10

2010
Cumulative Annual Pocket Part

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(2) Place a black tarp over the fire hydrant or device if the device is temporarily inoperable or temporarily unavailable for use in a fire emergency, for a period not to exceed fourteen days.

(c) For the purposes of this section, the word "inoperable" means a fire hydrant that does not produce water flow when activated.

Acts 2009, c. 163, eff. July 9, 2009.

ARTICLE 20

COMBINED SYSTEMS

Part III—Revenue Bond Financing.

Section

8–20–10. Power and authority of municipality to enact ordinances and make rules and fix rates, fees or charges; deposit required for new customers; change in rates, fees or charges; failure to cure delinquency; delinquent rates, discontinuance of service; reconnecting deposit; return of deposit; fees or charges as liens; civil action for recovery thereof; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure.

PART III—REVENUE BOND FINANCING

§ 8–20–10. Power and authority of municipality to enact ordinances and make rules and fix rates, fees or charges; deposit required for new customers; change in rates, fees or charges; failure to cure delinquency; delinquent rates, discontinuance of service; reconnecting deposit; return of deposit; fees or charges as liens; civil action for recovery thereof; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure

(a)(1) The governing body of a municipality availing itself of the provisions of this article shall have plenary power and authority to make, enact and enforce all necessary rules for the repair, maintenance, operation and management of the combined system of the municipality and for the use thereof. The governing body of a municipality also has the plenary power and authority to make, enact and enforce all necessary rules and ordinances for the care and protection of any such system for the health, comfort and convenience of the public, to provide a clean water supply, to provide properly treated sewage insofar as it is reasonably possible to do and, if applicable, to properly collecting and controlling the stormwater as is reasonably possible to do: *Provided*, That no municipality may make, enact or enforce any rule, regulation or ordinance regulating any highways, road or drainage easements or storm water facilities constructed, owned or operated by the West Virginia Division of Highways.

(2) A municipality has the plenary power and authority to charge the users for the use and service of a combined system and to establish required deposits, rates, fees or charges for such purpose. Separate deposits, rates, fees or charges may be fixed for the water and sewer services respectively and, if applicable, the stormwater services, or combined rates, fees or for the combined water and sewer services, and, if applicable, the storm water services. Such deposits, rates, fees or charges, whether separate or combined, shall be sufficient at all times to pay the cost of repair, maintenance and operation of the combined system, provide an adequate reserve fund, an adequate depreciation fund and pay the principal and interest upon all revenue bonds issued under this article. Deposits, rates, fees or charges shall be established, revised and maintained by ordinance and become payable as the governing body may determine by ordinance. The rates, fees or charges shall be changed, from time to time, as necessary, consistent with the provisions of this article.

(3) All new applicants for service shall indicate to the municipality or governing body whether they are an owner or tenant with respect to the service location. An entity providing stormwater service shall provide a tenant a report of the stormwater fee charged for the entire property and, if appropriate, that portion of the fee to be assessed to the tenant.

(4) The municipality or governing body, but only one of them, may collect from all new applicants for service a deposit of $100 or two twelfths of the average annual usage of the applicant's specific customer class, whichever is greater, to secure the payment of water and sewage service rates, fees and charges in the event they become delinquent as provided in this section. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent and the user's service is disconnected or terminated, service may not be reconnected or reinstated by the municipality or governing body until another deposit equal to $100 or a sum equal to two twelfths of the average usage for the applicant's specific customer class, whichever is greater, is remitted to the municipality or governing body. After twelve months of prompt payment history, the municipality or governing body shall return the deposit to the customer or credit the customer's account with interest at a rate to be set by the Public Service Commission: *Provided*, That where the customer is a tenant, the municipality or governing body is not required to return the deposit until the time the tenant discontinues service with the municipality governing body. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after they become due, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The municipality or governing body may terminate water services to a delinquent user of either water or sewage facilities, or both, ten days after the water or sewage services become delinquent regardless of whether the governing body utilizes the security deposit to satisfy any delinquent payments: *Provided further*, That any termination of water service must comply with all rules and orders of the Public Service Commission: *Provided however*, That nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the municipality or governing body to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill.

(b) Whenever any rates, fees or charges for services or facilities furnished remain unpaid for a period of twenty days after they become due, the user of the services and facilities provided shall be delinquent and the municipality or governing body may apply any deposit against any delinquent fee. The user is liable until such time as all rates, fees and charges are fully paid.

(c) All rates, fees or charges for water service, sewer service and, if applicable, stormwater service, whenever delinquent, as provided by ordinance of the municipality, shall be liens of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes for the amount thereof upon the real property served. The municipality has the plenary power and authority to enforce such lien in a civil action to recover the money due for services rendered plus court fees and costs and reasonable attorney's fees: *Provided*, That an owner of real property may not be held liable for the delinquent rates, fees or charges for services or facilities of a tenant, nor shall any lien attach to real property for the reason of delinquent rates, fees or charges for services or facilities of a tenant of the real property, unless the owner has contracted directly with the municipality to purchase such services or facilities.

(d) Municipalities are hereby granted a deferral of filing fees or other fees and costs incidental to filing an action in magistrate court for collection of the delinquent rates and charges. If the municipality collects the delinquent account, plus fees and costs, from its customer or other responsible party, the municipality shall pay to the magistrate court the filing fees or other fees and costs which were previously deferred.

(e) No municipality may foreclose upon the premises served by it for delinquent rates, fees or charges for which a lien is authorized by this section except through a civil action in the circuit court of the county wherein the municipality lies. In every such action, the court shall be required to make a finding based upon the evidence and facts presented that the municipality has exhausted all other remedies for collection of debts with respect to such delinquencies prior to bringing the action. In no event shall foreclosure procedures be instituted by any municipality or on its behalf unless the delinquency has been in existence or continued for a period of two years from the date of the first delinquency for which foreclosure is being sought.

(f) Notwithstanding any other provision contained in this article, a municipality which has been designated by the Environmental Protection Agency as an entity to serve a West

Virginia Separate Storm Sewer System community, as defined in 40 C.F.R. § 122.26, has the authority to enact ordinances or regulations which allow for the issuance of orders, the right to enter properties and the right to impose reasonable fines and penalties regarding correction of violations of municipal stormwater ordinances or regulations within the municipal watershed served by the municipal stormwater system, as long as such rules, regulations, fines or acts are not contrary to any rules or orders of the Public Service Commission.

(g) Notice of a violation of a municipal stormwater ordinance or regulation shall be served in person to the alleged violator or by certified mail, return receipt requested. The notice shall state the nature of the violation, the potential penalty, the action required to correct the violation and the time limit for making the correction. Should a person, after receipt of proper notice, fail to correct violation of the municipal stormwater ordinance or regulation, the municipality may correct or have the corrections of the violation made and bring the party into compliance with the applicable stormwater ordinance or regulation. The municipality may collect the costs of correcting the violation from the person by instituting a civil action, as long as such actions are not contrary to any rules or orders of the Public Service Commission.

(h) A municipality which has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community shall prepare an annual report detailing the collection and expenditure of rates, fees or charges and make it available for public review at the place of business of the governing body and the stormwater utility main office.

Acts 1939, c. 98, § 7; Acts 1947, c. 112; Acts 1969, c. 86; Acts 1989, c. 133; Acts 1990, c. 140; Acts 2001, c. 212, eff. 90 days after April 14, 2001; Acts 2004, c. 185, eff. 90 days after March 12, 2004; Acts 2008, c. 202, eff. March 8, 2008; Acts 2010, c. 201, eff. June 11, 2010.

ARTICLE 21

BOARD OF PARK AND RECREATION COMMISSIONERS

Part I—Establishment; Organization.

Section
8-21-3. Members; quorum; qualifications; election or appointment; terms; disqualification.

PART I—ESTABLISHMENT; ORGANIZATION

§ 8-21-2. Board a public corporate body; perpetual existence; seal; name; powers

Notes of Decisions

2. Powers and duties of boards, generally

It is unnecessary for a public corporate body to obtain a corporate charter from the office of the Secretary of State; a private corporation cannot exercise the powers of a public corporate body. 55 W.Va. Op.Atty.Gen. 214 (February 13, 1974) 1974 WL 174275.

§ 8-21-3. Members; quorum; qualifications; election or appointment; terms; disqualification

The board shall consist of not less than three nor more than seven members as may be provided by charter provision or ordinance, a majority of whom shall constitute a quorum for the transaction of business, except as hereinafter in this article provided. Each member of the board must be a resident and freeholder of the city. It may be provided either by charter provision or by ordinance for the appointment of the members thereof by the governing body, but unless and until such provision is made, the members of the board shall be elected by the qualified voters of the city at appropriate regular municipal elections. Membership on the governing body may not disqualify any member for election to the board. If provision is made for the appointment of members as aforesaid and the board consists of three or four

members, one member of the governing body, if otherwise qualified, may be appointed by the governing body; if the board consists of five members not more than two members of the governing body so qualified may be so appointed and if the board consists of six or seven members not more than three members of the governing body so qualified may be so appointed. The term of the board membership of any member of the governing body so appointed shall continue during his or her term as a member of the governing body and until his or her successor is appointed or elected and qualified. The terms of other appointed or of elected members shall be for six years, and until their successors have been duly appointed or elected and qualified: *Provided,* That notwithstanding the fact that there be no charter provision or ordinance for appointment of the members of the board, the governing body of the city shall appoint the members of the first board, such appointees to serve, one for a term of six years, one for a term of four years, and one for a term of two years. The date upon which the terms of the board members shall begin shall be specified by ordinance. When any member of the board, during his or her term of office, shall cease to be a resident and freeholder of the city, he or she shall thereby be disqualified as a member of the board and his or her office shall thereupon become vacant.

Acts 1939, c. 91, § 4; Acts 1945, c. 91; Acts 1969, c. 86; Acts 2005, c. 61, eff. 90 days after April 16, 2005.

ARTICLE 22

RETIREMENT BENEFITS GENERALLY; POLICEMEN'S PENSION AND RELIEF FUND; FIREMEN'S PENSION AND RELIEF FUND; PENSION PLANS FOR EMPLOYEES OF WATERWORKS SYSTEM, SEWERAGE SYSTEM OR COMBINED WATERWORKS AND SEWERAGE SYSTEM

Part II—General Retirement Systems for Class I, II and III Cities.

Section
8-22-2. Class I, II and III cities empowered and authorized to establish and maintain "employees retirement and benefit fund" or to maintain such fund heretofore established.

Part III—Policemen's Pension and Relief Fund; Firemen's Pension and Relief Fund.

8-22-16. Pension and relief funds for policemen and firemen; creation of boards of trustees; definitions; continuance of funds; average adjusted salary.
8-22-17. Powers and duties of boards of trustees; training.
8-22-18. Members of board of trustees; how elected; presiding officers; secretary.
8-22-18a. West Virginia Municipal Pensions Oversight Board created; powers and duties; management; composition; terms; quorum; expenses; reports.

Section
8-22-18b. Creation of Municipal Pensions Security Fund; transfer of certain powers, duties and functions of Treasurer's office to Municipal Pensions Oversight Board.
8-22-19. Levy to maintain fund.
8-22-20. Actuary; actuarial valuation report; minimum standards for annual municipality contributions to the fund; definitions; actuarial review and audit.
8-22-20a. Hiring of actuary; preparation of actuarial valuations.
8-22-22. Investment of funds by boards of trustees; exercise of discretion in making investments; report of investment plan.
8-22-22a. Restrictions on investments; disclosure of fees and costs.
8-22-23a. Eligibility for total and temporary disability pensions and total and permanent disability pensions; reporting; light duty.
8-22-27. General provisions concerning disability pensions, retirement pensions and death benefits.

Final

$8,420,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

Series 2010

Total Issue Sources And Uses

Dated 12/23/2010 | Delivered 12/23/2010

	RZED	Tax Exempt	Issue Summary
Sources Of Funds			
Par Amount of Bonds	$8,270,000.00	$150,000.00	$8,420,000.00
Original Issue Discount (OID)	(108,654.50)	-	(108,654.50)
Total Sources	**$8,161,345.50**	**$150,000.00**	**$8,311,345.50**
Uses Of Funds			
Deposit to Project Construction Fund	6,950,000.00	-	6,950,000.00
Deposit to Debt Service Reserve Fund (DSRF)	531,282.50	-	531,282.50
Deposit to Capitalized Interest (CIF) Fund	519,794.13	9,712.50	529,506.63
Total Underwriter's Discount (2.500%)	160,268.87	50,231.13	210,500.00
Costs of Issuance	-	90,000.00	90,000.00
Rounding Amount	-	56.37	56.37
Total Uses	**$8,161,345.50**	**$150,000.00**	**$8,311,345.50**

Crews & Associates, Inc.

Capital Markets Group

Final

$8,420,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

Series 2010

Net Debt Service Schedule

Date	Principal	Interest	Subsidy	Total P+I	DSR	CIF	Net New D/S	Fiscal Total
12/23/2010	-	-	-	-	-	-	-	-
06/01/2011	-	291,230.21	(129,720.46)	161,509.75	-	(161,509.75)	-	-
12/01/2011	-	331,781.25	(147,782.81)	183,998.44	-	(183,998.44)	-	-
06/01/2012	-	331,781.25	(147,782.81)	183,998.44	-	(183,998.44)	-	-
12/01/2012	80,000.00	331,781.25	(147,782.81)	263,998.44	-	-	263,998.44	263,998.44
06/01/2013	-	329,981.25	(147,782.81)	182,198.44	-	-	182,198.44	-
12/01/2013	165,000.00	329,981.25	(147,782.81)	347,198.44	-	-	347,198.44	529,396.88
06/01/2014	-	325,200.00	(146,340.00)	178,860.00	-	-	178,860.00	-
12/01/2014	170,000.00	325,200.00	(146,340.00)	348,860.00	-	-	348,860.00	527,720.00
06/01/2015	-	319,462.50	(143,758.12)	175,704.38	-	-	175,704.38	-
12/01/2015	175,000.00	319,462.50	(143,758.12)	350,704.38	-	-	350,704.38	526,408.76
06/01/2016	-	313,556.25	(141,100.31)	172,455.94	-	-	172,455.94	-
12/01/2016	185,000.00	313,556.25	(141,100.31)	357,455.94	-	-	357,455.94	529,911.88
06/01/2017	-	307,312.50	(138,290.62)	169,021.88	-	-	169,021.88	-
12/01/2017	190,000.00	307,312.50	(138,290.62)	359,021.88	-	-	359,021.88	528,043.76
06/01/2018	-	300,900.00	(135,405.00)	165,495.00	-	-	165,495.00	-
12/01/2018	200,000.00	300,900.00	(135,405.00)	365,495.00	-	-	365,495.00	530,990.00
06/01/2019	-	294,150.00	(132,367.50)	161,782.50	-	-	161,782.50	-
12/01/2019	205,000.00	294,150.00	(132,367.50)	366,782.50	-	-	366,782.50	528,565.00
06/01/2020	-	287,231.25	(129,254.06)	157,977.19	-	-	157,977.19	-
12/01/2020	215,000.00	287,231.25	(129,254.06)	372,977.19	-	-	372,977.19	530,954.38
06/01/2021	-	279,975.00	(125,988.75)	153,986.25	-	-	153,986.25	-
12/01/2021	220,000.00	279,975.00	(125,988.75)	373,986.25	-	-	373,986.25	527,972.50
06/01/2022	-	271,450.00	(122,152.50)	149,297.50	-	-	149,297.50	-
12/01/2022	230,000.00	271,450.00	(122,152.50)	379,297.50	-	-	379,297.50	528,595.00
06/01/2023	-	262,537.50	(118,141.87)	144,395.63	-	-	144,395.63	-
12/01/2023	240,000.00	262,537.50	(118,141.87)	384,395.63	-	-	384,395.63	528,791.26
06/01/2024	-	253,237.50	(113,956.87)	139,280.63	-	-	139,280.63	-
12/01/2024	250,000.00	253,237.50	(113,956.87)	389,280.63	-	-	389,280.63	528,561.26
06/01/2025	-	243,550.00	(109,597.50)	133,952.50	-	-	133,952.50	-
12/01/2025	260,000.00	243,550.00	(109,597.50)	393,952.50	-	-	393,952.50	527,905.00
06/01/2026	-	233,475.00	(105,063.75)	128,411.25	-	-	128,411.25	-
12/01/2026	270,000.00	233,475.00	(105,063.75)	398,411.25	-	-	398,411.25	526,822.50
06/01/2027	-	222,675.00	(100,203.75)	122,471.25	-	-	122,471.25	-
12/01/2027	285,000.00	222,675.00	(100,203.75)	407,471.25	-	-	407,471.25	529,942.50
06/01/2028	-	211,275.00	(95,073.75)	116,201.25	-	-	116,201.25	-
12/01/2028	295,000.00	211,275.00	(95,073.75)	411,201.25	-	-	411,201.25	527,402.50
06/01/2029	-	199,475.00	(89,763.75)	109,711.25	-	-	109,711.25	-
12/01/2029	310,000.00	199,475.00	(89,763.75)	419,711.25	-	-	419,711.25	529,422.50
06/01/2030	-	187,075.00	(84,183.75)	102,891.25	-	-	102,891.25	-
12/01/2030	325,000.00	187,075.00	(84,183.75)	427,891.25	-	-	427,891.25	530,782.50
06/01/2031	-	174,075.00	(78,333.75)	95,741.25	-	-	95,741.25	-
12/01/2031	335,000.00	174,075.00	(78,333.75)	430,741.25	-	-	430,741.25	526,482.50
06/01/2032	-	160,256.25	(72,115.31)	88,140.94	-	-	88,140.94	-
12/01/2032	350,000.00	160,256.25	(72,115.31)	438,140.94	-	-	438,140.94	526,281.88
06/01/2033	-	145,818.75	(65,618.43)	80,200.32	-	-	80,200.32	-
12/01/2033	370,000.00	145,818.75	(65,618.43)	450,200.32	-	-	450,200.32	530,400.64
06/01/2034	-	130,556.25	(58,750.31)	71,805.94	-	-	71,805.94	-
12/01/2034	385,000.00	130,556.25	(58,750.31)	456,805.94	-	-	456,805.94	528,611.88
06/01/2035	-	114,675.00	(51,603.75)	63,071.25	-	-	63,071.25	-
12/01/2035	400,000.00	114,675.00	(51,603.75)	463,071.25	-	-	463,071.25	526,142.50
06/01/2036	-	98,175.00	(44,178.75)	53,996.25	-	-	53,996.25	-
12/01/2036	420,000.00	98,175.00	(44,178.75)	473,996.25	-	-	473,996.25	527,992.50
06/01/2037	-	80,325.00	(36,146.25)	44,178.75	-	-	44,178.75	-
12/01/2037	440,000.00	80,325.00	(36,146.25)	484,178.75	-	-	484,178.75	528,357.50
06/01/2038	-	61,625.00	(27,731.25)	33,893.75	-	-	33,893.75	-
12/01/2038	460,000.00	61,625.00	(27,731.25)	493,893.75	-	-	493,893.75	527,787.50
06/01/2039	-	42,075.00	(18,933.75)	23,141.25	-	-	23,141.25	-
12/01/2039	485,000.00	42,075.00	(18,933.75)	508,141.25	-	-	508,141.25	531,282.50
06/01/2040	-	21,462.50	(9,658.12)	11,804.38	-	-	11,804.38	-
12/01/2040	505,000.00	21,462.50	(9,658.12)	516,804.38	(531,282.50)	-	(14,478.12)	(2,673.74)
Total	**$8,420,000.00**	**$13,029,698.96**	**(5,856,057.55)**	**$15,593,641.41**	**(531,282.50)**	**(529,506.63)**	**$14,532,852.28**	-

RZED - Cap I - Final | Issue Summary | 12/17/2010 | 1:09 PM

Final

$8,420,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

Series 2010

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
Series 2010B						
12/01/2013	Term 1 Coupon	4.500%	4.500%	150,000.00	100.000%	150,000.00
Series 2010A						
12/01/2020	Term 2 Coupon	6.750%	6.750%	1,435,000.00	100.000%	1,435,000.00
12/01/2025	Term 3 Coupon	7.750%	7.750%	1,200,000.00	100.000%	1,200,000.00
12/01/2030	Term 4 Coupon	8.000%	8.000%	1,485,000.00	100.000%	1,485,000.00
12/01/2035	Term 5 Coupon	8.250%	8.500%	1,840,000.00	97.418%	1,792,491.20
12/01/2040	Term 6 Coupon	8.500%	8.750%	2,310,000.00	97.353%	2,248,854.30
Total	-	-	-	**$8,420,000.00**	-	**$8,311,345.50**

Bid Information

Par Amount of Bonds	$8,420,000.00
Reoffering Premium or (Discount)	(108,654.50)
Gross Production	$8,311,345.50
Total Underwriter's Discount (2.500%)	$(210,500.00)
Bid (96.210%)	8,100,845.50
Total Purchase Price	$8,100,845.50
Bond Year Dollars	$159,675.44
Average Life	18.964 Years
Average Coupon	4.4926391%
Net Interest Cost (NIC)	4.6925161%
True Interest Cost (TIC)	4.7854776%

Final

$8,270,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

(RZED - - Non Rated)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Subsidy	Total P+I	DSR	CIF	Net New D/S	Fiscal Total
12/23/2010	-	-	-	-	-	-	-	-	-
06/01/2011	-	-	288,267.71	(129,720.46)	158,547.25	-	(158,547.25)	-	-
12/01/2011	-	-	328,406.25	(147,782.81)	180,623.44	-	(180,623.44)	-	-
06/01/2012	-	-	328,406.25	(147,782.81)	180,623.44	-	(180,623.44)	-	-
12/01/2012	-	-	328,406.25	(147,782.81)	180,623.44	-	-	180,623.44	180,623.44
06/01/2013	-	-	328,406.25	(147,782.81)	180,623.44	-	-	180,623.44	-
12/01/2013	95,000.00	6.750%	328,406.25	(147,782.81)	275,623.44	-	-	275,623.44	456,246.88
06/01/2014	-	-	325,200.00	(146,340.00)	178,860.00	-	-	178,860.00	-
12/01/2014	170,000.00	6.750%	325,200.00	(146,340.00)	348,860.00	-	-	348,860.00	527,720.00
06/01/2015	-	-	319,462.50	(143,758.12)	175,704.38	-	-	175,704.38	-
12/01/2015	175,000.00	6.750%	319,462.50	(143,758.12)	350,704.38	-	-	350,704.38	526,408.76
06/01/2016	-	-	313,556.25	(141,100.31)	172,455.94	-	-	172,455.94	-
12/01/2016	185,000.00	6.750%	313,556.25	(141,100.31)	357,455.94	-	-	357,455.94	529,911.88
06/01/2017	-	-	307,312.50	(138,290.62)	169,021.88	-	-	169,021.88	-
12/01/2017	190,000.00	6.750%	307,312.50	(138,290.62)	359,021.88	-	-	359,021.88	528,043.76
06/01/2018	-	-	300,900.00	(135,405.00)	165,495.00	-	-	165,495.00	-
12/01/2018	200,000.00	6.750%	300,900.00	(135,405.00)	365,495.00	-	-	365,495.00	530,990.00
06/01/2019	-	-	294,150.00	(132,367.50)	161,782.50	-	-	161,782.50	-
12/01/2019	205,000.00	6.750%	294,150.00	(132,367.50)	366,782.50	-	-	366,782.50	528,565.00
06/01/2020	-	-	287,231.25	(129,254.06)	157,977.19	-	-	157,977.19	-
12/01/2020	215,000.00	6.750%	287,231.25	(129,254.06)	372,977.19	-	-	372,977.19	530,954.38
06/01/2021	-	-	279,975.00	(125,988.75)	153,986.25	-	-	153,986.25	-
12/01/2021	220,000.00	7.750%	279,975.00	(125,988.75)	373,986.25	-	-	373,986.25	527,972.50
06/01/2022	-	-	271,450.00	(122,152.50)	149,297.50	-	-	149,297.50	-
12/01/2022	230,000.00	7.750%	271,450.00	(122,152.50)	379,297.50	-	-	379,297.50	528,595.00
06/01/2023	-	-	262,537.50	(118,141.87)	144,395.63	-	-	144,395.63	-
12/01/2023	240,000.00	7.750%	262,537.50	(118,141.87)	384,395.63	-	-	384,395.63	528,791.26
06/01/2024	-	-	253,237.50	(113,956.87)	139,280.63	-	-	139,280.63	-
12/01/2024	250,000.00	7.750%	253,237.50	(113,956.87)	389,280.63	-	-	389,280.63	528,561.26
06/01/2025	-	-	243,550.00	(109,597.50)	133,952.50	-	-	133,952.50	-
12/01/2025	260,000.00	7.750%	243,550.00	(109,597.50)	393,952.50	-	-	393,952.50	527,905.00
06/01/2026	-	-	233,475.00	(105,063.75)	128,411.25	-	-	128,411.25	-
12/01/2026	270,000.00	8.000%	233,475.00	(105,063.75)	398,411.25	-	-	398,411.25	526,822.50
06/01/2027	-	-	222,675.00	(100,203.75)	122,471.25	-	-	122,471.25	-
12/01/2027	285,000.00	8.000%	222,675.00	(100,203.75)	407,471.25	-	-	407,471.25	529,942.50
06/01/2028	-	-	211,275.00	(95,073.75)	116,201.25	-	-	116,201.25	-
12/01/2028	295,000.00	8.000%	211,275.00	(95,073.75)	411,201.25	-	-	411,201.25	527,402.50
06/01/2029	-	-	199,475.00	(89,763.75)	109,711.25	-	-	109,711.25	-
12/01/2029	310,000.00	8.000%	199,475.00	(89,763.75)	419,711.25	-	-	419,711.25	529,422.50
06/01/2030	-	-	187,075.00	(84,183.75)	102,891.25	-	-	102,891.25	-
12/01/2030	325,000.00	8.000%	187,075.00	(84,183.75)	427,891.25	-	-	427,891.25	530,782.50
06/01/2031	-	-	174,075.00	(78,333.75)	95,741.25	-	-	95,741.25	-
12/01/2031	335,000.00	8.250%	174,075.00	(78,333.75)	430,741.25	-	-	430,741.25	526,482.50
06/01/2032	-	-	160,256.25	(72,115.31)	88,140.94	-	-	88,140.94	-
12/01/2032	350,000.00	8.250%	160,256.25	(72,115.31)	438,140.94	-	-	438,140.94	526,281.88
06/01/2033	-	-	145,818.75	(65,618.43)	80,200.32	-	-	80,200.32	-
12/01/2033	370,000.00	8.250%	145,818.75	(65,618.43)	450,200.32	-	-	450,200.32	530,400.64
06/01/2034	-	-	130,556.25	(58,750.31)	71,805.94	-	-	71,805.94	-
12/01/2034	385,000.00	8.250%	130,556.25	(58,750.31)	456,805.94	-	-	456,805.94	528,611.88
06/01/2035	-	-	114,675.00	(51,603.75)	63,071.25	-	-	63,071.25	-
12/01/2035	400,000.00	8.250%	114,675.00	(51,603.75)	463,071.25	-	-	463,071.25	526,142.50
06/01/2036	-	-	98,175.00	(44,178.75)	53,996.25	-	-	53,996.25	-
12/01/2036	420,000.00	8.500%	98,175.00	(44,178.75)	473,996.25	-	-	473,996.25	527,992.50
06/01/2037	-	-	80,325.00	(36,146.25)	44,178.75	-	-	44,178.75	-
12/01/2037	440,000.00	8.500%	80,325.00	(36,146.25)	484,178.75	-	-	484,178.75	528,357.50
06/01/2038	-	-	61,625.00	(27,731.25)	33,893.75	-	-	33,893.75	-
12/01/2038	460,000.00	8.500%	61,625.00	(27,731.25)	493,893.75	-	-	493,893.75	527,787.50
06/01/2039	-	-	42,075.00	(18,933.75)	23,141.25	-	-	23,141.25	-
12/01/2039	485,000.00	8.500%	42,075.00	(18,933.75)	508,141.25	-	-	508,141.25	531,282.50
06/01/2040	-	-	21,462.50	(9,658.12)	11,804.38	-	-	11,804.38	-
12/01/2040	505,000.00	8.500%	21,462.50	(9,658.12)	516,804.38	(531,282.50)	-	(14,478.12)	(2,673.74)
Total	**$8,270,000.00**	-	**$13,013,461.46**	**(5,856,057.55)**	**$15,427,403.91**	**(531,282.50)**	**(519,794.13)**	**$14,376,327.28**	-

RZED - Cap I - Final | RZED | 12/17/2010 | 1:09 PM

Crews & Associates, Inc.

Capital Markets Group

Final

$150,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

(Tax Exempt - - Non Rated)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
12/23/2010	-	-	-	-	-	-	-
06/01/2011	-	-	2,962.50	2,962.50	(2,962.50)	-	-
12/01/2011	-	-	3,375.00	3,375.00	(3,375.00)	-	-
06/01/2012	-	-	3,375.00	3,375.00	(3,375.00)	-	-
12/01/2012	80,000.00	4.500%	3,375.00	83,375.00	-	83,375.00	83,375.00
06/01/2013	-	-	1,575.00	1,575.00	-	1,575.00	-
12/01/2013	70,000.00	4.500%	1,575.00	71,575.00	-	71,575.00	73,150.00
Total	**$150,000.00**	-	**$16,237.50**	**$166,237.50**	**(9,712.50)**	**$156,525.00**	-

Crews & Associates, Inc.

Capital Markets Group

Final

$8,270,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

(RZED - - Non Rated)

Proof Of Bond Yield @ 4.5715129%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/23/2010	-	1.0000000x	-	-
06/01/2011	158,547.25	0.9803575x	155,432.98	155,432.98
12/01/2011	180,623.44	0.9584497x	173,118.47	328,551.46
06/01/2012	180,623.44	0.9370314x	169,249.84	497,801.29
12/01/2012	180,623.44	0.9160918x	165,467.65	663,268.94
06/01/2013	180,623.44	0.8956201x	161,769.98	825,038.92
12/01/2013	275,623.44	0.8756059x	241,337.50	1,066,376.42
06/01/2014	178,860.00	0.8560389x	153,111.12	1,219,487.54
12/01/2014	348,860.00	0.8369092x	291,964.14	1,511,451.68
06/01/2015	175,704.38	0.8182070x	143,762.55	1,655,214.23
12/01/2015	350,704.38	0.7999227x	280,536.39	1,935,750.62
06/01/2016	172,455.94	0.7820470x	134,868.65	2,070,619.27
12/01/2016	357,455.94	0.7645708x	273,300.37	2,343,919.64
06/01/2017	169,021.88	0.7474851x	126,341.33	2,470,260.97
12/01/2017	359,021.88	0.7307812x	262,366.44	2,732,627.42
06/01/2018	165,495.00	0.7144506x	118,238.00	2,850,865.42
12/01/2018	365,495.00	0.6984849x	255,292.75	3,106,158.18
06/01/2019	161,782.50	0.6828761x	110,477.40	3,216,635.57
12/01/2019	366,782.50	0.6676160x	244,869.86	3,461,505.43
06/01/2020	157,977.19	0.6526969x	103,111.23	3,564,616.66
12/01/2020	372,977.19	0.6381113x	238,000.94	3,802,617.60
06/01/2021	153,986.25	0.6238515x	96,064.56	3,898,682.15
12/01/2021	373,986.25	0.6099105x	228,098.12	4,126,780.28
06/01/2022	149,297.50	0.5962809x	89,023.25	4,215,803.53
12/01/2022	379,297.50	0.5829560x	221,113.74	4,436,917.27
06/01/2023	144,395.63	0.5699288x	82,295.23	4,519,212.50
12/01/2023	384,395.63	0.5571927x	214,182.45	4,733,394.95
06/01/2024	139,280.63	0.5447413x	75,871.91	4,809,266.85
12/01/2024	389,280.63	0.5325681x	207,318.43	5,016,585.28
06/01/2025	133,952.50	0.5206669x	69,744.63	5,086,329.91
12/01/2025	393,952.50	0.5090317x	200,534.29	5,286,864.20
06/01/2026	128,411.25	0.4976564x	63,904.69	5,350,768.89
12/01/2026	398,411.25	0.4865354x	193,841.19	5,544,610.07
06/01/2027	122,471.25	0.4756629x	58,255.03	5,602,865.11
12/01/2027	407,471.25	0.4650334x	189,487.74	5,792,352.85
06/01/2028	116,201.25	0.4546414x	52,829.90	5,845,182.75
12/01/2028	411,201.25	0.4444816x	182,771.40	6,027,954.15
06/01/2029	109,711.25	0.4345489x	47,674.90	6,075,629.05
12/01/2029	419,711.25	0.4248381x	178,309.35	6,253,938.40
06/01/2030	102,891.25	0.4153444x	42,735.30	6,296,673.70
12/01/2030	427,891.25	0.4060628x	173,750.71	6,470,424.41
06/01/2031	95,741.25	0.3969886x	38,008.18	6,508,432.59
12/01/2031	430,741.25	0.3881172x	167,178.07	6,675,610.66
06/01/2032	88,140.94	0.3794440x	33,444.55	6,709,055.21

Final

$8,270,000

City of St. Albans, West Virginia
Water & Sewer Revenue Bonds (Phase II WSI Project)
(RZED - - Non Rated)

Proof Of Bond Yield @ 4.5715129%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2032	438,140.94	0.3709647x	162,534.80	6,871,590.01
06/01/2033	80,200.32	0.3626748x	29,086.63	6,900,676.65
12/01/2033	450,200.32	0.3545702x	159,627.61	7,060,304.26
06/01/2034	71,805.94	0.3466467x	24,891.29	7,085,195.55
12/01/2034	456,805.94	0.3389002x	154,811.64	7,240,007.19
06/01/2035	63,071.25	0.3313269x	20,897.20	7,260,904.40
12/01/2035	463,071.25	0.3239228x	149,999.35	7,410,903.75
06/01/2036	53,996.25	0.3166842x	17,099.76	7,428,003.50
12/01/2036	473,996.25	0.3096073x	146,752.71	7,574,756.22
06/01/2037	44,178.75	0.3026886x	13,372.40	7,588,128.62
12/01/2037	484,178.75	0.2959245x	143,280.35	7,731,408.98
06/01/2038	33,893.75	0.2893115x	9,805.85	7,741,214.83
12/01/2038	493,893.75	0.2828464x	139,696.05	7,880,910.88
06/01/2039	23,141.25	0.2765257x	6,399.15	7,887,310.03
12/01/2039	508,141.25	0.2703462x	137,374.06	8,024,684.08
06/01/2040	11,804.38	0.2643048x	3,119.95	8,027,804.04
12/01/2040	516,804.38	0.2583985x	133,541.46	8,161,345.50
Total	**$15,427,403.91**	-	**$8,161,345.50**	-

Derivation Of Target Amount

Par Amount of Bonds	$8,270,000.00
Reoffering Premium or (Discount)	(108,654.50)
Original Issue Proceeds	$8,161,345.50

Final

$8,270,000

City of St. Albans, West Virginia

Water & Sewer Revenue Bonds (Phase II WSI Project)

(RZED - - Non Rated)

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
12/23/2010	-	-	-	-	-
12/01/2012	-	100.000%	-	1.9388889x	-
12/01/2013	95,000.00	100.000%	95,000.00	2.9388889x	279,194.44
12/01/2014	170,000.00	100.000%	170,000.00	3.9388889x	669,611.11
12/01/2015	175,000.00	100.000%	175,000.00	4.9388889x	864,305.56
12/01/2016	185,000.00	100.000%	185,000.00	5.9388889x	1,098,694.44
12/01/2017	190,000.00	100.000%	190,000.00	6.9388889x	1,318,388.89
12/01/2018	200,000.00	100.000%	200,000.00	7.9388889x	1,587,777.78
12/01/2019	205,000.00	100.000%	205,000.00	8.9388889x	1,832,472.22
12/01/2020	215,000.00	100.000%	215,000.00	9.9388889x	2,136,861.11
12/01/2021	220,000.00	100.000%	220,000.00	10.9388889x	2,406,555.56
12/01/2022	230,000.00	100.000%	230,000.00	11.9388889x	2,745,944.44
12/01/2023	240,000.00	100.000%	240,000.00	12.9388889x	3,105,333.33
12/01/2024	250,000.00	100.000%	250,000.00	13.9388889x	3,484,722.22
12/01/2025	260,000.00	100.000%	260,000.00	14.9388889x	3,884,111.11
12/01/2026	270,000.00	100.000%	270,000.00	15.9388889x	4,303,500.00
12/01/2027	285,000.00	100.000%	285,000.00	16.9388889x	4,827,583.33
12/01/2028	295,000.00	100.000%	295,000.00	17.9388889x	5,291,972.22
12/01/2029	310,000.00	100.000%	310,000.00	18.9388889x	5,871,055.56
12/01/2030	325,000.00	100.000%	325,000.00	19.9388889x	6,480,138.89
12/01/2031	335,000.00	97.418%	326,350.30	20.9388889x	6,833,412.67
12/01/2032	350,000.00	97.418%	340,963.00	21.9388889x	7,480,349.37
12/01/2033	370,000.00	97.418%	360,446.60	22.9388889x	8,268,244.51
12/01/2034	385,000.00	97.418%	375,059.30	23.9388889x	8,978,502.91
12/01/2035	400,000.00	97.418%	389,672.00	24.9388889x	9,717,986.71
12/01/2036	420,000.00	97.353%	408,882.60	25.9388889x	10,605,960.33
12/01/2037	440,000.00	97.353%	428,353.20	26.9388889x	11,539,359.26
12/01/2038	460,000.00	97.353%	447,823.80	27.9388889x	12,511,699.39
12/01/2039	485,000.00	97.353%	472,162.05	28.9388889x	13,663,845.10
12/01/2040	505,000.00	97.353%	491,632.65	29.9388889x	14,718,935.28
Total	**$8,270,000.00**	**-**	**$8,161,345.50**	**-**	**$156,506,517.76**

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	19.177 Years
Total Interest from Debt Service	7,157,403.91
Reoffering (Premium) or Discount	108,654.50
Total Interest	7,266,058.41
NIC = Interest / (Issue Price * Average Maturity)	4.6426555%
Bond Yield for Arbitrage Purposes	4.5715129%

Crews & Associates, Inc.

Capital Markets Group

City of St. Albans, WV
Combined Waterworks and Sewerage System Revenue Bonds
Series 2010A and 2010B

DTC FAST CLOSING
Thursday, December 23, 2010

SOURCES:			
Par Amount - Series 2010A			8,270,000.00
Par Amount - Series 2010B			150,000.00
Original Issue Premium			0.00
Original Issue Discount			(108,654.50)
TOTAL SOURCES OF FUNDS			**8,311,345.50**
USES:			
Deposit to Project Fund			6,950,000.00
Deposit to Debt Service Reserve Fund			531,282.50
Deposit to Capitalized Interest Fund			529,506.63
Underwriters Discount			210,500.00
Costs of Issuance and Rounding:			
Bond Counsel - Steptoe & Johnson	50,000.00	firm	
Underwriter's Counsel - Goodwin & Goodwin	35,000.00	firm	
Registrar - Annual Continuing Disclosure	1,000.00	firm	
Registrar - Annual DTC FAST fee	250.00	firm	
Registrar - Acceptance fee	1,000.00	firm	
DTC/CUSIP fees - Crews & Associates, Inc.	785.00	est.	
	88,035.00		
Total COI and Rounding			90,000.00
Rounding			56.37
TOTAL USES OF FUNDS			**8,311,345.50**

CONTACTS:

United Bank Inc. **#2719**
kathy.smith@ubsi-wv.com
304-348-8427 Tel

WV Municipal Bond Commission
sboardman@state.wv.us
304-558-3971 Tel

DTC
212-855-3752 Tel
212-855-3753 Tel
212-855-3754 Tel

Crews BD# **5158**

$0.00 Wire Test
$0.00 Balance Test

WIRE INSTRUCTIONS:

From: Crews & Associates, Inc. (JP Morgan Chase/NY) → **To: West Virginia Municipal Bond Commission**

Deposit to 2010 A - DSRF	531,282.50	Bank:	Branch Banking & Trust
Deposit to 2010 A - Capitalized Interest Fund	519,794.13	City:	Charleston, WV
Deposit to 2010 B - Capitalized Interest Fund	9,712.50	ABA#:	051 5033 94
		GLA #:	State of West Virginia
		Acct #:	5270517317
Total Transfer:	1,060,789.13	Acct Name:	City of St. Albans, WV
		Attn:	Sara Boardman

From: Crews & Associates, Inc. → **To: United Bank, Inc. (Depository Bank)**

Deposit to 2010 A - Project Fund	6,950,000.00	Bank:	United Bank, Inc. / Trust Department
		City:	Charleston, WV
COI and Rounding	90,056.37	ABA#:	#051-900-395
		Credit To:	United Trust Department
		Acct.#:	800-5682
Total Wire	7,040,056.37	Further Cr:	City of St. Albans, WV

PWSID: WV3302031

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301-3713

Telephone (304) 558-2981

PERMIT

(Water)

PROJECT: Water Line Replacement Project **PERMIT NO.:** 18,622

LOCATION: St. Albans **COUNTY:** Kanawha **DATE:** 7-30-2010

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

City of St. Albans MUC
P. O. Box 1270
St. Albans, West Virginia 25177

is hereby granted approval to: install approximately 2,265 LF of 12" 20 LF of 8" 35,000 LF of 6" and 1,500 LF of 2" water line; and all necessary valves and appurtenances.

Facilities are to replace existing deteriorated water lines in the City of St. Albans.

NOTE: **This permit is contingent upon all new water line being disinfected, flushed, and bacteriologically tested prior to use.**

The Environmental Engineering Division of the **OEHS St. Albans District Office (304)722-0611** is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:plk

pc: Chapman Technical Group
Ingrid Ferrell, Engineering Division, PSC
Amy Swann, PSC
Kanawha-Charleston Health Department
OEHS-EED St. Albans District Office

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
304.353.8196 - Telephone
304.353.8181 - Facsimile
john stump@steptoe-johnson.com

May 6, 2010

VIA HAND DELIVERY

West Virginia Economic Development Authority
c/o Mr. David Warner
Northgate Business Park
160 Association Drive
Charleston, West Virginia 25311-1217

Re: City of St Albans - Recovery Zone Economic Development Bond
Volume Cap Allocation Application

Dear Mr. Warner:

The purpose of this letter is to request, on behalf of the City of St. Albans (the "City"), in accordance with West Virginia Senate Bill 4002, Recovery Zone Economic Development Bond Volume Cap in the amount of $10,000,000.

The City intends to plan, design, acquire, construct and equip certain equipment, structures and improvements and all necessary appurtenances and related facilities within its existing public water system ("the Project"). The total cost of the Project is estimated not to exceed $10,000,000. The City has found and determined that the Project will promote development or other economic activity within the City.

Please find enclosed the following items to be considered as the application for allocation of Recovery Zone Economic Development Bond Volume Cap:

Exhibit A - A copy of the resolution adopted by the City establishing the recovery zone in which bond net proceeds will be spent;

Exhibit B - A copy of the approved financing plan, including without limitation documentation of proof of marketability of the bonds; and

Exhibit C - A description of the project plan and related documentation.

If you have any questions regarding the issues set forth herein, or if I can be of any other service, please do not hesitate to call.

My best regards,

Very truly yours,

John C. Stump

Enclosures

Resolution No. 2010-09

RZB Designation/Cap Request

RESOLUTION OF THE
CITY OF ST. ALBANS

A RESOLUTION DESIGNATING THE CITY OF ST. ALBANS, WEST VIRGINIA A RECOVERY ZONE FOR PURPOSES OF SECTIONS 1400U-1, 1400U-2 AND 1400U-3 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; DESIGNATING THE RECOVERY ZONE; PROVIDING FOR FUNDING APPROPRIATION; PROVIDING FOR ELIGIBLE ACTIVITIES/PROJECTS FOR RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS; PROVIDING FOR ELIGIBLE ACTIVITIES/PROJECTS FOR RECOVERY ZONE FACILITY BONDS; AUTHORIZING A REQUEST FOR ADDITIONAL CAP; PROVIDING FOR REIMBURSEMENT; PROVIDING FOR COMPLIANCE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 ("ARRA") added Sections 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended, (the "Code"), authorizing state and local governments to issue Recovery Zone Bonds through December 31, 2010 which provide tax incentives to state and local governments by lowering borrowing costs as a means to promote job creation and economic recovery to targeted areas particularly affected by employment declines;

WHEREAS, the Treasury Department established a national bond volume limitation ("volume cap") of $10 billion for Recovery Zone Economic Development Bonds and $15 billion for Recovery Zone Facility Bonds (collectively referred to as "Recovery Zone Bonds"), which is allocated among the states in the proportion that each State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all of the states ("Recovery Zone Bond Allocation");

WHEREAS, Recovery Zone Economic Development Bonds are taxable tax-credit governmental bonds that may be used to finance certain "qualified economic development purposes," defined as promoting development or other economic activity in a designated Recovery Zone, including (1) capital expenditures paid or incurred with respect to property located in the recovery zone, (2) expenditures for public infrastructure and construction of public facilities, and (3) expenditures for job training and educational programs. Recovery

Zone Facility Bonds are private activity bonds that may be used to finance certain property located within a designated Recovery Zone;

WHEREAS, Recovery Zone Facility Bonds are tax-exempt private activity bonds that may be used to finance certain eligible activities/projects on behalf of qualified borrowers for projects located within the designated Recovery Zone, including qualifying capital improvements and infrastructure projects. Provided, however, qualifying projects do not include any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;

WHEREAS, Section 1400U-1(a)(3)(A) of the Code provides generally that each state with respect to which an allocation is made under § 1400U-1(a)(1) of the Code is required, without discretion, to reallocate such allocation among the counties and large municipalities in such state; in the proportion that each county's or municipality's 2008 employment decline bears to the aggregate of the 2008 employment declines for all the counties and municipalities in such state (the "Volume Cap");

WHEREAS, for purposes of § 1400U-1(a)(3)(A) of the Code, the term "large municipality" means a municipality with a population of more than 100,000;

WHEREAS, the City of St. Albans, since it does not meet the criteria established for a "large municipality," has been allocated **$0** in Recovery Zone Economic Development Bonds and **$0** in Recovery Zone Facility Bonds, which must be issued on or before December 31, 2010;

WHEREAS, West Virginia Senate Bill 4002 empowers the West Virginia Economic Development Authority to reallocate Volume Cap that has been waived by other counties in West Virginia;

WHEREAS, Section 1400U-1(b) of the Code requires each governmental issuer of Recovery Zone Bonds to designate eligible recovery zones within its geographical jurisdiction using the following criteria: (1) significant poverty, unemployment, rate of home foreclosures, or general distress; (2) economic distress by reason of the closure of realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and (3) any area for which a designation as an empowerment zone or renewal community is in effect;

WHEREAS, the City intends to plan, design, acquire, construct and equip certain equipment, structures, and improvements and all necessary appurtenances and related facilities for renovations and improvements to the City's existing water treatment and distribution facilities in Kanawha County, West Virginia (collectively, the "Project") and desires to finance all or a portion of the Project through the issuance of Recovery Zone Facility Bonds in the amount not to exceed $10,000,000

(the "Bonds"), utilizing additional volume cap which may be obtained from the State of West Virginia as further authorized herein;

WHEREAS, the Bonds will be issued in an amount not to exceed $10,000,000, in one or more issues or series, of the City under and pursuant to West Virginia Code 8-20, et. seq., herein called the "Act;"

WHEREAS, it is intended that this Resolution shall constitute a "bond resolution or some other official action" toward the issuance of such Bonds under the Regulations prescribed by the United States Treasury Department in connection with Section 103 of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City reasonably expects that it will reimburse itself from proceeds of such Bonds for a portion of the costs of planning, design, acquisition, construction and equipping of the Project expended prior to the date of delivery of the Bonds;

WHEREAS, since December 2004, the unemployment rate in Kanawha County has risen from 4.7% to the current unemployment rate of 8.3%, or an increase of over 55%;

WHEREAS, the conditions of significant poverty and rate of home foreclosures exist throughout the entire geographic area of Kanawha County, which includes the City of St. Albans; and

WHEREAS, the conditions of significant poverty, unemployment rate and rate of home foreclosures in Kanawha County has impacted citizens and businesses in the City and has resulted in the general distress of the City. Accordingly, it is in the best interests of the City of St. Albans that the entire geographic area of the City be designated a "Recovery Zone" for purposes of issuing Recovery Zone Bonds to promote job creation and economic recovery.

NOW, THEREFORE, BE AND IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF ST. ALBANS, WEST VIRGINIA AS FOLLOWS:

Section 1. Recovery Zone Designation. Pursuant to Section 1400U-1 of the Code, the entire geographic area of the City of St. Albans is hereby designated as a "Recovery Zone" for the purpose of issuing Recovery Zone Bonds.

Section 2. In accordance with West Virginia Senate Bill 4002, the Mayor or Clerk of the City is directed to apply to the West Virginia Economic Development Authority for additional recovery zone bond cap allocation in an amount not to exceed $10,000,000 to provide additional Recovery Zone Economic Development Bond financing for the Project.

Section 3. Recovery Zone Economic Development Bonds - Eligible Activities/Projects. Eligible activities/projects that qualify for issuance of

Recovery Zone Economic Development Bonds include activities/projects within the Recovery Zone that promote economic development, as measured by such criteria the City deems appropriate, and may include:

(1) Capital expenditures paid or incurred with respect to property located in the Recovery Zone, including working capital expenditures to promote development or other economic activity;

(2) Expenditures for public infrastructure and construction of public facilities; and

(3) Expenditures for job training and educational programs.

Section 4. Recovery Zone Facility Bonds - Eligible Activities/Projects. Eligible activities/projects that qualify for issuance of Recovery Zone Facility Bonds include any and all private activity bonds issued on behalf of qualified borrowers for projects located within the designated Recovery Zone, including qualifying capital improvements and infrastructure projects. Provided, however, qualifying projects do not include any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

Section 5. The City hereby finds that the Project will promote development or other economic activity within the City.

Section 6. The City reasonably expects that it will reimburse itself for certain capital expenditures in an amount not to exceed $2,000,000, made not more than 60 days prior to the date of adoption of this resolution and during the period following the adoption of this resolution and prior to delivery of the Bonds, in connection with the planning, design, acquisition, construction and equipping of the Project, to be undertaken or incurred prior to the execution and delivery of the Bonds, from the proceeds of the Bonds, which are reasonably expected to be executed and delivered within 18 months from the later of (i) the expenditure for payment of said costs or (ii) the placing of the Project in service.

Section 7. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Code (the "Reimbursement Regulations").

Section 8. The source of payment for such capital expenditures will be the revenue account of the water system and, upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures may be applied to reimbursement of such account.

Section 9. The maximum principal amount of Bonds to be issued for the Project, in one or more series, (including costs of issuance of the Bonds and related costs) is $10,000,000.

Section 10. Compliance. Notwithstanding any provisions to the contrary which may be contained within this Resolution, all activities/projects financed through the issuance of Recovery Zone Bonds shall comply with all applicable existing Federal, State, and Local laws, rules, and regulations.

Section 11. Severability Clause. If any provision of this article or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or applications. To this end, the provisions of this article are declared severable.

Section 12. Effective Date. This Resolution shall become effective immediately.

Adopted this May 3, 2010

CITY OF ST. ALBANS

By: _____
Its Mayor

CERTIFICATION

The undersigned, being the duly appointed, qualified and acting Clerk of the City of St. Albans (the "City"), does hereby certify that the foregoing is a true, correct and complete copy of an Resolution duly enacted by the Council of the City at a regular meeting, duly held on May 3, 2010, pursuant to proper notice, at which a quorum was present and acting throughout, and which Resolution has not been amended, modified, rescinded, repealed, annulled, revoked or otherwise altered as witness my hand and the seal of the City this May 3, 2010.

By: Barbara Cunningham
Clerk

Crews&Associates
Member First Security Bancorp

Gregory B. Isaacs
Senior Managing Director
Coordinator / West Virginia
Public Finance Group

300 Summers Street, Suite 930
Charleston, WV 25301-1631

DIRECT (304) 344.1733
FAX (304) 344.1812
gisaacs@crewsfs.com

April 29, 2010

City of St. Albans
c/o John C. Stump
Chase Tower - 7th Floor
707 Virginia Street East
Charleston, WV 25301

Mr. Stump:

This letter confirms our discussion with respect to our role as underwriter in connection with the City of St. Albans Phase II WSI Project (the "Project") for approximately $10,000,000 to be funded partially or fully with Tax-Exempt Economic Recovery Zone Facility Bonds issued by the Kanawha County Commission.

Please let this letter demonstrate our desire and ability to underwrite this debt. Crews & Associates will perform the following in connection with this project:

1. Serve as underwriter of one or more series of municipal bonds to assist in the financing of the Project. (The proposed debt is hereinafter referred to as the "Series 2010 Bonds".)
2. Perform all the functions normally assigned to or assumed by an underwriter including, but not limited to:
    - structuring the Series 2010 Bonds
    - coordinating the finance team
    - underwriting and distributing the Series 2010 Bonds
    - arranging for delivery and settlement of the Series 2010 Bonds and investment of bond proceeds as agreed to by the City.
3. Fees paid to the underwriter by the City for performance of the services outlined herein shall only be paid upon the sale, delivery and settlement of the Series 2010 Bonds.
4. The underwriter will be responsible for expenses incurred during the development of the transaction and will be reimbursed for such expenses only upon the sale, delivery and settlement of the Series 2010 Bonds. The underwriting team will not undertake responsibility for the payment of fees or expenses of other parties to the transaction except as shall be specifically agreed to by the underwriting team and the City.
5. The City shall cooperate with the underwriter and the other members of the finance team by providing such data as is normally required of issuer/users of municipal bonds including, but not limited to financial records and information required for the performance of due diligence and structuring, sale, delivery and settlement of the Series 2010 Bonds. We understand that the City will designate a reputable and experienced law firm to serve as bond counsel to assist in the development of the transaction and the issuance of approving legal opinions concerning the tax status of the proposed debt.

Respectfully submitted,

Gregory B. Isaacs

SUPERVISORY OFFICE

521 President Clinton Avenue
Suite 800
Little Rock, AR 72201

LOCAL 501.907.2000
TOLL FREE 800 766 2000
FAX 501 907 4000

Member SIPC & FINRA

EXHIBIT C

Phase II consists of replacing aged and deteriorated water distribution mains throughout the system. Most lines being replaced are in excess of 80 years old and consist of 2" cast iron pipe, which is inadequate for continued use. Resulting project should improve water service, quality and pressure, to the customer, as well as provide for increased fire protection and a reduction in unaccounted for water.

West Virginia
Open for Business!
West Virginia Economic Development Authority

May 21, 2010

John Stump
PO Box 1588
Charleston, WV 25326

Dear Mr. Stump:

The West Virginia Economic Development Authority board of directors approved the City of St. Albans request for $10,000,000 RecoveryZone Economic Development BondVolume CAP at the May 20, 2010 board meeting.

Please be aware that if the bonds are not issued before December 31, 2010 or if the bonds are issued in amount lesser than the amount of Volume CAP approved that a notification must be sent to the Governor's Office.

Sincerely,

David A. Warner

David A. Warner
Executive Director

NorthGate Business Park, 160 Association Drive, Charleston, WV 25311-1217 • (304) 558-3650 • (304) 558-0206 (fax)

* CONFORMED COPY

CITY OF ST. ALBANS, WEST VIRGINIA

TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 A, TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B AND WHEN, AS AND IF ISSUED COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A

BOND ORDINANCE

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CITY OF ST. ALBANS, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1990, OF THE CITY OF ST. ALBANS, WEST VIRGINIA; THE ISSUANCE OF TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 A, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,000,000, TAXABLE COMBINED WATERWORKS AND SEWERAGE REFUNDING REVENUE BONDS, SERIES 1998 B, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $200,000 AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,000,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND PROVISIONS FOR BOND INSURANCE; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, the City of St. Albans, West Virginia (the "Issuer") presently owns and operates through the St. Albans Municipal Utility Commission (the "Board") a municipal combined waterworks and sewerage system (the "System") and has heretofore financed and refinanced the acquisition and construction of the System and certain extensions, additions, betterments and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990, dated March 1, 1990, issued in the original aggregate principal amount of $3,100,000, of which $2,830,000 is presently outstanding (the "Series 1990 Bonds");

WHEREAS, the Series 1990 Bonds were issued pursuant to an ordinance of the Issuer duly enacted by the council of the Issuer on February 20, 1990, as supplemented by a supplemental resolution duly adopted by the council of the Issuer on March 14, 1990 (collectively, the "1990 Ordinance");

WHEREAS, the Issuer is advised that current market conditions are such that interest savings would be realized from the refunding of the Series 1990 Bonds;

WHEREAS, under the provisions of Chapter 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), the Issuer is authorized and empowered to issue refunding revenue bonds to refund, pay or discharge all or any part of the outstanding Series 1990 Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents to provide for the refunding of the Series 1990 Bonds on their first permitted Redemption Date, being April 1, 2000, in the manner set forth herein through the issuance of an initial series of taxable bonds to be designated "City of St. Albans, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 A" (the "Series 1998 A Bonds"), in the maximum aggregate principal amount of not more than $3,000,000, to issue a second series of taxable bonds to be designated "City of St. Albans, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 B (the "Series 1998 B Bonds") in the maximum aggregate principal amount of $200,000 to provide for payment of costs of issuance of such bonds, and, subject to the satisfaction of certain conditions, to issue a subsequent series of tax-exempt bonds to be designated "City of St. Albans, West Virginia, Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A" (the "Series 2000 A Bonds"), in the maximum aggregate principal amount of not more than $3,000,000, to provide for the current refunding of the Series 1990 Bonds on April 1, 2000; and

WHEREAS, the Issuer now desires to authorize the refunding of the Series 1990 Bonds as aforesaid, and to provide for the financing thereof by the issuance of the Series 1998 A Bonds, the Series 1998 B Bonds and the Series 2000 A Bonds as hereinafter provided;

NOW, THEREFORE, THE CITY OF ST. ALBANS HEREBY ORDAINS:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer and Redemption Digest.

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

"Board" means the St. Albans Municipal Utility Commission, or any successor thereto.

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal Bonds, appointed by the Issuer or the Board and shall initially mean Steptoe & Johnson, Clarksburg, West Virginia.

"Bondholder," "Holder of the Bonds," "Owner of the Bonds," "Registered Owner" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and in the event the Bonds are insured, shall initially mean the Bond Insurer set forth in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"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.

"Bonds" means, collectively, the Series 1998 A Bonds, the Series 1998 B Bonds, the Series 2000 A Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Bonds, in substantially the forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C, attached hereto and incorporated herein by reference.

"City" or "Issuer" means the City of St. Albans, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County thereof, and, unless the context clearly indicates otherwise, includes the Council, the Board, and any successor thereto.

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of a series of Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Series 1990 Bonds, interest accruing or to accrue thereon, redemption premiums, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses, verification agent expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Bonds and the refunding of the Series 1990 Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC-eligible" means, with respect to the Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Escrow Agent" means the West Virginia Municipal Bond Commission, as escrow agent under the Escrow Agreement, which shall be appointed pursuant to the Supplemental Resolution.

"Escrow Agreement" means the Escrow Agreement to be entered into between the Issuer and the Escrow Agent, providing for the deposit therein of the proceeds of the Series 1998 A Bonds and a portion of the proceeds of the Series 1998 B Bonds, and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and

reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other disposition of capital assets, but does not include 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.

"Independent 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 purpose except keeping the accounts of the System in the normal operations of its business and affairs.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Bonds, insuring the payment of the principal of and interest on all or any of the Bonds in accordance with the terms thereof.

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

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, as hereinafter defined, 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 fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" means this Ordinance and all ordinances, orders and resolutions supplemented hereto or amendatory hereof.

"1990 Ordinance" means, collectively, the ordinance of the Issuer enacted February 20, 1990, as supplemented by the supplemental resolution of the Issuer adopted March 14, 1990, authorizing the Series 1990 Bonds.

"Original Purchaser" means Crews & Associates, Little Rock, Arkansas, as the purchaser of the Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of the Bonds.

"Outstanding," when used with reference to the Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer.

"Paying Agent" means the Registrar or any other Paying Agent designated as such for the Bonds in the Supplemental Resolution, and any successor thereto, appointed in accordance with Section 8.12 hereof.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Purchase Price," for the purpose of computation of the Yield of the Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code,

and, in general, means the initial offering price of the Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Bonds are privately placed, the price paid by the first buyer of the Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Rebate Fund" means the Rebate Fund created by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of the Series 1990 Bonds, the Series 1998 A Bonds, the Series 1998 B Bonds, the Series 2000 A Bonds or any other Bonds of the Issuer called for redemption, as applicable.

"Redemption Price" means the price at which the Series 1990 Bonds, the Series 1998 A Bonds, the Series 1998 B Bonds, the Series 2000 A Bonds or any other Bonds of the Issuer may be called for redemption and includes the principal amount of such Bonds to be redeemed, plus interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Bonds, and any successor thereto, appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by Section 4.01 hereof.

"Revenue Fund" means the Revenue Fund created by Section 4.01 hereof.

"Series 1998 A Bonds" means the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 A, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 1998 A Bonds Sinking Fund" means the Series 1998 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 1998 B Bonds" means the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 B, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 1998 B Bonds Sinking Fund" means the Series 1998 B Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2000 A Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2000 A Bonds Redemption Account" means the Series 2000 A Bonds Redemption Account created by Section 4.02 hereof.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2000 A Bonds Reserve Requirement" means a sum of $125,000, which is less than (i) 10% of the original stated principal amount of the Series 2000 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2000 A Bonds in any year; and (iii) 125% of the average amount of principal and interest which will become due on the Series 2000 A Bonds.

"Series 2000 A Bonds Sinking Fund" means the Series 2000 A Bonds Sinking Fund created by Section 4.02 hereof.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of any series of Bonds, authorizing the sale of such series of Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Ordinance to be set aside and held for the payment of or security for the Bonds, including any Reserve Account and the Renewal and Replacement Fund.

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

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

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 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 vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State.

B. The Issuer now owns and operates the System, the acquisition and construction of which has been refinanced in part by the proceeds of the Series 1990 Bonds.

C. The Issuer derives revenues from the System which are pledged for payment of the Series 1990 Bonds. Except for such pledge thereof to secure and pay the Series 1990 Bonds, such revenues are not pledged or encumbered in any manner.

D. The Issuer intends to currently refund the Series 1990 Bonds in their entirety on April 1, 2000, with proceeds of the Series 2000 A Bonds and other funds of the Issuer, and prior to such refunding, to issue the Series 1998 A Bonds and the Series 1998 B Bonds.

E. The estimated revenues to be derived in each year from the operation of the System before and after the refunding of the Series 1990 Bonds will be sufficient to pay all Operating Expenses of the System and the principal of and interest on the Series 2000 A Bonds and to make all other payments provided for in this Ordinance.

F. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2000 A Bonds presented to the Issuer by the Original Purchaser, and after making allowance for the use of cash on hand of the Issuer, the Series 2000 A Bonds show a net present value debt service savings to the Issuer, after deducting all expenses of the refunding and the costs of issuing the Series 2000 A Bonds.

G. The Issuer shall not sell the Series 1998 A Bonds, the Series 1998 B Bonds or the Series 2000 A Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph F above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2000 A Bonds and the Issuer shall not issue the Series 2000 A Bonds without having obtained from an independent certified public accountant, a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2000 A Bonds and the net interest cost in dollars of the Series 1990 Bonds.

H. Subject to the determination and certification required by paragraph G above, it is in the best interest of the Issuer and its residents that the Issuer issue the Series 1998 A Bonds, the Series 1998 B Bonds and the Series 2000 A Bonds, secure the Series 1998 A Bonds and Series 1998 B Bonds by a pledge of the proceeds thereof deposited in the Escrow Fund established therefor, and secure the Series 1998 B Bonds and Series 2000 A Bonds from a pledge and assignment of the Gross Revenues derived from the operation of the System, the moneys in the respective Sinking Funds and the moneys or other obligations in the respective Reserve Accounts, unexpended proceeds of such Bonds and as further set forth herein.

I. The Series 1998 A Bonds, Series 1998 B Bonds and Series 2000 A Bonds and the Certificates of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C attached

hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

J. All things necessary to make the Series 1998 A Bonds, Series 1998 B Bonds and Series 2000 A Bonds when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereunder to the payment of the principal of and interest thereon, will be timely done and duly performed.

K. The enactment of this Ordinance, and the execution and issuance of the Series 1998 A Bonds, the Series 1998 B Bonds and the Series 2000 A Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance 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 such Bondholders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. Subject to the issuance and delivery of the Series 2000 A Bonds on or before April 1, 2000, and other provisions set forth herein, all Series 1990 Bonds Outstanding as of the date of issuance of the Series 2000 A Bonds are hereby ordered to be refunded, and the pledge of Gross Revenues in favor of the Holders of the Series 1990 Bonds imposed by the 1990 Ordinance, the moneys in the funds and accounts created by the 1990 Ordinance and any other funds pledged by the 1990 Ordinance to the payment of the Series 1990 Bonds are hereby ordered terminated, discharged and released upon the payment on April 1, 2000, to the paying agent for the Series 1990 Bonds, of the Redemption Price thereof from the proceeds of the Series 2000 A Bonds and other moneys available for such purpose. Contemporaneously with the issuance and delivery of the Series 2000 A Bonds, and the deposit of the Redemption Price with the paying agent for the Series 1990 Bonds, the amounts on deposit in the sinking fund, including the reserve account therein, if any, created and maintained on behalf of the Series 1990 Bonds, shall be released from the lien created by the 1990 Ordinance and deposited in the Reserve Account or such other fund or account as shall be set forth in the Supplemental Resolution, and invested as provided thereunder.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered, all as shall be set forth in the Bonds.

The principal of and the premium, if any, on the Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $500,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to the Record Date by such Registered Owner.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any 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 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C, attached hereto and incorporated herein by reference with respect to the Bonds, shall have been duly manually executed by the Registrar. Any such manually 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 Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the 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 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said 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, 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 any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and 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 the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the applicable Redemption Account in accordance with Subsection 4.03.A(1) shall include (after credit as provided below) on the first of each month,

beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the applicable Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Sinking Fund), as will exhaust as nearly as practicable the applicable Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such

manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, the Original Purchaser and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Bonds shall also be sent to registered securities depositories and to *Standard & Poor's Called Bond Record*.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

If funds sufficient to redeem all Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys

are not so deposited, the Registrar shall notify all holders of Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. A. For the purpose of facilitating the sale of the Series 2000 A Bonds, thus permitting the refunding of the Series 1990 Bonds, there shall be issued the Series 1998 A Bonds of the Issuer, in an aggregate principal amount

of not more than $3,000,000. The Series 1998 A Bonds shall be designated "City of St. Albans, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 A" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 1998 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 1998 A Bonds shall be numbered from AR-1 consecutively upward, with appropriate series designation. The Series 1998 A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purpose of facilitating the sale of the Series 2000 A Bonds, thus permitting the refunding of the Series 1990 Bonds, and paying costs of issuance of the Bonds and such refunding, there shall be issued the Series 1998 B Bonds of the Issuer, in an aggregate principal amount of not more than $200,000. The Series 1998 B Bonds shall be designated "City of St. Albans, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 B" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 1998 B Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 1998 B Bonds shall be numbered from BR-1 consecutively upward, with appropriate series designation. The Series 1998 B Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

C. For the purposes of currently refunding the Series 1990 Bonds, funding the Series 2000 A Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2000 A Bonds of the Issuer, in an aggregate principal amount of not more than $3,000,000. The Series 2000 A Bonds shall be designated "City of St. Albans, West Virginia, Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2000 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2000 A Bonds shall be numbered from AR-1 consecutively upward, with appropriate series designation. The Series 2000 A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional

redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Bonds. A. The Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Bonds so redeemed, but DTC may return such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Bonds,

obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 3.12. Delivery of Bonds. The Issuer shall execute and deliver each applicable series of Bonds to the Registrar, and the Registrar shall authenticate, register and deliver such series of Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the applicable series of Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the applicable series of Bonds to the Original Purchaser;

(C) Copies of this Ordinance and the applicable Supplemental Resolution certified by the Clerk;

(D) The unqualified approving opinion of Bond Counsel regarding the applicable series of Bonds; and

(E) A copy of the Escrow Agreement and such other documents, certificates and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. The definitive Series 1998 A Bonds, Series 1998 B Bonds and Series 2000 A Bonds shall be in substantially the respective forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C, attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Bonds shall have the form of the opinion of Steptoe & Johnson, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Bonds. (A) Upon the issuance and delivery of the Series 1998 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(i) All interest accrued on the Series 1998 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 1998 A Bonds Sinking Fund and applied to payment of interest on the Series 1998 A Bonds at the first interest payment date.

(ii) The balance proceeds of the Series 1998 A Bonds shall be deposited in the Escrow Fund.

(B) Upon issuance and delivery of the Series 1998 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(i) All interest accrued on the Series 1998 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 1998 B Bonds Sinking Fund and applied to payment of interest on the Series 1998 B Bonds at the first interest payment date.

(ii) An amount of the proceeds of the Series 1998 B Bonds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to fully fund the Escrow Fund (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

(iii) The balance of the proceeds of the Series 1998 B Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Bonds and miscellaneous costs of refunding the Series 1990 Bonds at the written direction of the Issuer. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the Issuer to the Escrow Fund. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Series 1998 A and Series 1998 B Bonds.

(C) Upon the issuance and delivery of the Series 2000 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(i) All interest accrued on the Series 2000 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2000 A Bonds Sinking Fund and applied to payment of interest on the Series 2000 A Bonds at the first interest payment date.

(ii) An amount of the proceeds of the Series 2000 A Bonds which, together with other moneys or securities available therefor, shall be sufficient to accomplish the current refunding and defeasance of the Series 1990 Bonds shall be paid to the paying agent for the Series 1990 Bonds.

(iii) An amount of the proceeds of the Series 2000 A Bonds equal to the Series 2000 A Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2000 A Bonds Reserve Account, provided that, to the extent the Series 2000 A Bonds Reserve Requirement is satisfied in whole or in part with a reserve account letter of credit, surety bond or other credit facility, or from proceeds of any fund or account established pursuant to the 1990 Ordinance or other funds of the Issuer, proceeds of the Series 2000 A Bonds shall be deposited in the Series 2000 A Bonds Reserve Account only to the

extent needed to satisfy the balance of the Series 2000 A Bonds Reserve Requirement.

(iv) The balance of the proceeds of the Series 2000 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2000 A Bonds and miscellaneous costs of refunding the Series 1990 Bonds at the written direction of the Issuer. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the Issuer to the Series 2000 A Bonds Redemption Account. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Series 2000 A Bonds.

Section 3.15. Designation of Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2000 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2000 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2000 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2000.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Costs of Issuance Fund; and

(4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. A. The following special funds or accounts are hereby created with and shall be held by the Bond Commission separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

(1) Series 1998 A Bonds Sinking Fund; and

(2) Series 1998 B Bonds Sinking Fund.

B. Upon issuance of the Series 2000 A Bonds, the following special funds or accounts are hereby created with and shall be held by the Bond Commission separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

(1) Series 2000 A Bonds Sinking Fund;

(2) Within the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account; and

(3) Within the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Redemption Account.

Section 4.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in

this Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Ordinance. Until the Series 2000 A Bonds are issued and the Series 1990 Bonds are defeased, neither the Series 1998 A Bonds nor the Series 1998 B Bonds shall be payable from the Net Revenues, and all revenues shall be disposed of in accordance with the provisions of the ordinance pursuant to which the Series 1990 Bonds were issued and any subsequent ordinance authorizing the issuance of additional Bonds. Upon issuance of the Series 2000 A Bonds and defeasance of the Series 1990 Bonds, all revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority.

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Series 1998 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 1998 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 6 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 1998 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 1998 B Bonds deposited therein; and (ii) commencing 6 months prior to the first interest payment date of the Series 2000 A Bonds, for deposit in the Series 2000 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2000 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 6 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2000 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2000 A Bonds deposited therein.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Series 1998 B Bonds Sinking Fund, a sum equal to 1/12th of the

amount of principal which will mature and become due on the Series 1998 B Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 B Bonds Sinking Fund and the next ensuing annual principal payment date is more or less than 12 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date, the required amount of principal coming due on such date; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2000 A Bonds, for deposit in the Series 2000 A Bonds Sinking Fund and in the Series 2000 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2000 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 12 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Bond Commission for deposit in the Series 2000 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2000 A Bonds Reserve Account below the Series 2000 A Bonds Reserve Requirement or any withdrawal from the Series 2000 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2000 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2000 A Bonds Reserve Account is less than the Series 2000 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2000 A Bonds Reserve Account for deposit into the Series 2000 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2000 A Bonds Reserve Account to an amount equal to the Series 2000 A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2000 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2000 A Bonds Reserve Account, such

shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2000 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2000 A Bonds Reserve Requirement. Amounts in the Series 2000 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2000 A Bonds when due, when amounts in the Series 2000 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

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

The Series 1998 B Bonds and any other bonds payable from the revenues of the System subsequent to the issuance of the Series 1998 A Bonds and Series 1998 B Bonds, unless otherwise determined, shall, following issuance of the Series 2000 A Bonds, be payable on a parity with the Series 2000 A Bonds, in the same manner and in the order of priority as set forth for the Series 2000 A Bonds in paragraph (2) and (3) of this Section 4.03. The Series 1998 B Bonds may remain Outstanding following issuance of the Series 2000 A Bonds. There shall be no Reserve Account with respect to the Series 1998 B Bonds.

Moneys in the Series 2000 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2000 A Bonds as the same shall become due. Moneys in the Series 2000 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2000 A Bonds, as the same shall come due, when other moneys in the Series 2000 A Bonds Sinking Fund are insufficient therefor, and for no other purpose except for permitted transfers to the Rebate Fund.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account shall be returned, not less than once each year, by the Bond Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund

and applied in full, first to the next ensuing interest payment due on the Bonds, and then to the next ensuing principal payments due thereon.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 2000 A Bonds Reserve Account which result in a reduction in the balance of the Series 2000 A Bonds Reserve Account to below the Series 2000 A Bonds Reserve Requirement shall be subsequently 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 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 2000 A Bonds Sinking Fund, or into the Series 2000 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2000 A Bonds issued pursuant to this Bond Ordinance then Outstanding and all interest to accrue until the respective maturities thereof.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account and the Series 2000 A Bonds Redemption Account created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account and the Series 2000 A Bonds Redemption Account shall be invested and reinvested by the Bond Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to the Rebate Fund, the Series 2000 A Bonds Sinking Fund, including the Series 2000 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 A Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Bond Commission the required principal, interest and reserve payments with respect to the Series 2000 A Bonds and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

C. The Issuer shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond 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 any charges and fees then due.

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

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

Section 4.04. Reserve Account Letter of Credit or Surety Bond. In lieu of funding the Series 2000 A Bonds Reserve Account with cash or Qualified Investments, the Series 2000 A Bonds Reserve Requirement may be satisfied by the deposit by the Issuer into the Series 2000 A Bonds Reserve Account of a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Bond Insurer in an amount at least equal to the Series 2000 A Bonds Reserve Requirement. The Issuer hereby authorizes the purchase of a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Bond Insurer and the execution and delivery of any applicable reimbursement agreement or note in such forms as shall be described in the Supplemental Resolution.

Section 4.05. Payment of Series 1998 A and Series 1998 B Bonds. Until April 1, 2000, the Series 1998 A Bonds, the Series 1998 B Bonds and the interest thereon shall not be payable from the Revenue Fund, the Gross Revenues or the Net Revenues, but shall be payable solely from United States Treasury obligations and/or a guaranteed investment agreement and from cash deposited in the Escrow Fund and earnings thereon. On April 1, 2000, moneys in the Escrow Fund shall be delivered by the Escrow Agent to the Paying Agent of the Series 1998 A Bonds for the special mandatory redemption of the Series 1998 A Bonds and, in accordance with the instructions of the Issuer to the Paying

Agent of the Series 1998 A Bonds, the Paying Agent shall transfer the redemption proceeds of the Series 1998 A Bonds to the Underwriter for the purchase of the Series 2000 A Bonds and thereafter, the proceeds of the Series 2000 A Bonds shall be transferred by the Underwriter to the Paying Agent of the Series 1990 Bonds to currently refund the Series 1990 Bonds and defease the lien of the 1990 Ordinance. On and after April 1, 2000, the Series 1998 B Bonds and the Series 2000 A Bonds will be payable from and secured by a first lien on the Net Revenues derived from the System on a parity with each other.

In the event the Series 2000 A Bonds are not issued, the Series 1998 A Bonds shall be subject to mandatory tender on April 1, 2000, at a price equal to the principal amount thereof, plus interest accrued to such date, such amounts payable solely from funds in the Escrow Fund in accordance with the terms of the Escrow Agreement. In such event, the Series 1990 Bonds and the Series 1998 B Bonds will remain outstanding and will be payable from and secured by a first lien on the Net Revenues derived from the System on a parity with each other.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer 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 Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Series 2000 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to semiannually transfer from the Series 2000 A Bonds Reserve Account to the Series 2000 A Bonds Sinking Fund, any earnings on the moneys deposited therein and any other funds in excess of the reserve requirement; provided, however, that there shall at all times remain on deposit in the Series 2000 A Bonds Reserve Account an amount at least equal to reserve requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from any Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the any Reserve Account shall, at any time, be less than the reserve requirement, the Bond Insurer shall be notified immediately of such deficiency and such

deficiency shall be made up from the first available Gross Revenues after required deposits to the any Sinking Fund and otherwise in accordance with Section 4.03 hereof.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all moneys deposited in the any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2000 A Bonds in such manner and to such extent as may be necessary, so that the Series 2000 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2000 A Bonds) so that the interest on such Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2000 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2000 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with

Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the time and at the address prescribed by the Regulations as the same may be in effect from time to time with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amounts and any and all penalties and interest from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2000 A Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance 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 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, all as herein provided. No Holder or Holders of the Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 6.03. Series 2000 A Bonds Secured by Pledge of Net Revenues. On and after April 1, 2000, the payment of the debt service of all of the Series 1998 B Bonds and the Series 2000 A Bonds shall be secured forthwith equally and ratably on a parity with each other by a first lien on the Net Revenues derived from the System. In the event the Series 2000 A Bonds are not issued, the Series 1998 A Bonds shall be subject to mandatory tender. In such event the Series 1990 Bonds and the Series 1998 B Bonds will remain outstanding and the payment of the debt service of all of the Series 1998 B Bonds and the Series 1990 Bonds shall be secured forthwith equally and ratably on a parity with each other by a first lien on the Net Revenues derived from the System. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 1998 B Bonds and the Series 2000 A Bonds herein authorized, and to make the payments into all funds and accounts, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Series 1998 B Bonds and the Series 2000 A Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. Prior to the issuance of the Bonds, 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 City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay

Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule 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 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 120% of the maximum amount required in any year for payment of principal of and interest on the Series 1998 B Bonds and the Series 2000 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1998 B Bonds and the Series 2000 A Bonds; provided however, that so long as the Series 1990 Bonds are outstanding, such coverage must equal at least 125%. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

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 Issuer 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 6.05. Operation and Maintenance. The Issuer will operate and maintain the System in good condition and as a revenue-producing enterprise in an efficient and economical manner, making all necessary expenditures for equipment, renewal, repair and replacement. The Issuer will also operate and maintain the System in compliance with all federal and state laws.

Section 6.06. Sale of the System. So long as the Bonds are outstanding and except as otherwise required by law, 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 Bonds Outstanding, or to effectively defease the pledge created by this Ordinance in accordance with Article IX hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Bond Commission for deposit in any Sinking Fund and the Issuer shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest and redemption premium, if any, on the Bonds. Any balance remaining after the payment of all the Bonds and interest and redemption premium, if any, thereon shall be remitted to the Issuer by the Bond 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 Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and the Council may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $50,000 and not in excess of $200,000, shall be deposited in the Renewal and Replacement Fund.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $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 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.08 hereof, 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 the Revenues with the Bonds; and all obligations hereafter issued by the Issuer 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 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.

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, except with respect to such additional parity Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and Revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

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

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 125%, so long as the Series 1990 Bonds are outstanding and thereafter, 120% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from additional customers to be connected to the System as a result of additions, extensions and improvements thereto, or from 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 Consulting

Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent 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 issuance of such Parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

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 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 with respect to the Bonds then Outstanding, and any other payments provided for in this 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.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. 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 the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during acquisition and construction of any additions, betterments and improvements to the System in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer and the Board 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 and the Board from claims arising out of operation or ownership of motor vehicles of or for the System.

C. 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 Board 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, betterments or improvements to the System in compliance with West Virginia Code, Section 38-2-39.

D. 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.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Board 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.

Section 6.10. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1998 B Bonds and the Series 2000 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 on April 1, 2000, immediately upon delivery of the Series 2000 A Bonds.

Section 6.11. Services Rendered to the Board or Issuer. The Board 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 Board or 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, the Board, 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 6.12. Enforcement of Collections. The Board will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, 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 and facilities of the System or waterworks portion thereof, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks portion thereof) until all bills for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 6.13. No Competing Franchise. 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 or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all reasonable times

to inspect the System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall file with the Original Purchaser and the Bond Insurer, within 120 days following the end of each Fiscal Year, and shall mail to any Bondholder requesting the same, an annual report containing the following:

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

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

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder of not less than $100,000 principal amount of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser and the Bond Insurer.

Section 6.15. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the Issuer, 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. 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 Board 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 such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and

all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewerage facilities portion of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2000 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2000 A Bonds during the term thereof is, under the terms of the Series 2000 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds

of the Series 2000 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2000 A Bonds during the term thereof is, under the terms of the Series 2000 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2000 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2000 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2000 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2000 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2000 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may apply for a Municipal Bond Insurance Policy for the Bonds. In the event such a Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer may be required by the Bond Insurer as a condition to insuring the Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder; or

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder (or any Bond Insurer if the defaulted Bonds are insured) shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate, 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 issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, 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 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 the Holders of the Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or Bondholders, in which event such resignation shall take effect immediately; provided that, in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the Bond Insurer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided that, in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Registrar may also serve as the Paying Agent. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said

period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all the Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Gross Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the

provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of any series of Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall relating to such series of Bonds be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Bonds, this Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the

Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send

to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Paying Agent, the Depository Bank or the Original Purchaser shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER

City of St. Albans
Post Office Box 1488
St. Albans, West Virginia 25177

REGISTRAR AND PAYING AGENT

[Name(s) and address(es) to be set forth in Supplemental Resolution]

DEPOSITORY BANK

[Name(s) and address(es) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

Crews & Associates
2000 Union National Plaza
124 West Capitol
Little Rock, Arkansas 72201

BOND INSURER

[Name(s) and address(es) to be set forth in Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. 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 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed; provided however, that the 1990 Ordinance shall remain in effect until the Series 1990 Bonds have been refunded and defeased.

Section 10.13. 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, City Clerk and members of the Council were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.14. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereon.

Section 10.15. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Council to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Charleston Gazette and the Charleston Daily Mail, two qualified newspapers of general circulation in the City of St. Albans, there being no qualified newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Council 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 Council for review by interested persons during office hours of the Council. 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 3, 1998
Passed on Second Reading:	August 17, 1998
Passed on Third Reading Following Public Hearing:	September 8, 1998

L. D. "Jack" Kessler Jr.
Mayor

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Council of the CITY OF ST. ALBANS on September 8, 1998.

Dated this 24th day of November, 1998.

[SEAL]

Barbara Cunningham
City Clerk

11/20/98
858350/98002

EXHIBIT A - FORM OF SERIES 1998 A BOND

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE COMBINED WATERWORKS AND SEWERAGE
SYSTEM REFUNDING REVENUE BOND,
SERIES 1998 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, West Virginia, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 199___ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date

is provided for. Capitalized terms used and not defined herein shall have the same meanings set forth in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____, designated "City of St. Albans, West Virginia Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 A" (the "Bonds" or the "Series 1998 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 1998, the proceeds of which are to be used, together with other funds of the Issuer, to facilitate the subsequent issuance and sale of its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A (the "Series 2000 A Bonds"), on April 1, 2000, the proceeds of which will be used to currently refund the Issuer's Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990 (the "Series 1990 Bonds"), which were issued to refinance the cost of acquisition and construction of certain additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer.

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 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the council of the Issuer on _____, 1998, as supplemented by a supplemental resolution duly adopted by the council on _____, 1998 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations

of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THE BONDS ARE ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B, DATED _____, 199__, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1998 B BONDS").

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds shall not be subject to optional redemption.

(B) Mandatory Sinking Fund Redemption. The Bonds shall not be subject to mandatory sinking fund redemption.

(C) Mandatory Redemption. By its purchase of this Bond, each Bondholder shall unconditionally and irrevocably agree, upon the authentication and issuance of the Series 2000 A Bonds in accordance with the provisions of the Ordinance and delivery of the Series 2000 A Bond Counsel Opinion as provided in the Ordinance, to purchase on April 1, 2000 (the "Series 2000 A Bonds Issuance Date"), Series 2000 A Bonds in a principal amount equal to the then outstanding principal amount of such Bondholder's Series 1998 A Bonds at a purchase price equal to the principal amount thereof (the "Series 2000 A Bonds Purchase Price"). By its purchase of this Bond, each Bondholder irrevocably appoints the Escrow Agent (as defined in the Ordinance) as its agent and attorney in fact and instructs the Escrow Agent on its behalf to transfer the redemption proceeds of this Bond redeemed pursuant to the special mandatory redemption provisions of this Bond, in an amount equal to the principal amount of the Bonds of such Bondholder which are so redeemed, to the Paying Agent for the Bonds, which will transfer such amounts to the Underwriter (as defined in the Ordinance), which will purchase from the Issuer said amount of Series 2000 A Bonds on behalf of such Bondholder, all for the purpose of satisfying such Bondholder's obligation to purchase the Series 2000 A Bonds. Such purchase shall be made by the Underwriter on behalf of the Bondholder (unless enjoined by a court of competent jurisdiction in the event of a bankruptcy or insolvency of a Bondholder or due to other similar circumstances) automatically and without the necessity of any further action on the part of each Bondholder. Each Bondholder, by its purchase of this Bond, pledges to the Escrow Agent and Paying Agent the proceeds of the redemption of this Bond to be applied to the purchase by the Underwriter of a like amount

of Series 2000 A Bonds on behalf of and for the account of such Bondholder. Each Bondholder, by its purchase of this Bond, is deemed to agree to, acknowledge and accept the terms and conditions described above and to be bound by all of the provisions of the Ordinance, without the necessity of any written acknowledgment, acceptance, signature or receipt of a copy of the Ordinance by such Bondholder.

Upon the satisfaction of the conditions set forth in the Ordinance for the issuance of the Series 2000 A Bonds, and upon the performance by the Escrow Agent, on behalf of each Bondholder of such Bondholder's obligation to purchase Series 2000 A Bonds in an amount equal to the then outstanding principal amount of such Bondholder's Bonds, each Bond with respect to which the foregoing conditions have been satisfied shall be subject to mandatory redemption on April 1, 2000, without notice, at a price equal to the principal amount thereof, plus accrued interest thereon to and including the date fixed for redemption. In the event the conditions set forth in the Ordinance for the issuance of the Series 2000 A Bonds are satisfied, but the Escrow Agent is prevented by a court of competent jurisdiction from performing on behalf of a Bondholder its obligation to purchase a corresponding amount of Series 2000 A Bonds, as set forth above, then this Bond shall not be subject to mandatory redemption and will instead be subject to mandatory tender as described below.

(D) Mandatory Tender. In the event the Series 2000 A Bonds are not issued on April 1, 2000, this Bond shall be subject to mandatory tender to the Escrow Agent, at which time the Escrow Agent will apply cash and securities held by the Escrow Agent toward the purchase of this Bond at a price equal to the principal amount thereof, plus accrued interest to and including April 1, 2000. This Bond shall be deemed paid in such event and will no longer be outstanding.

With respect to the mandatory redemption of this Bond, in the event Series 2000 A Bonds have been issued and delivered, within ten (10) business days following such issuance and delivery, the Paying Agent will mail to the persons who were Series 1998 A Bondholders immediately prior to the Series 2000 A Bonds Issuance Date by first class mail, postage prepaid, at the address of each Bondholder shown on the Bond Register whose Bond has been redeemed under the mandatory redemption provisions of the Ordinance and for whom a corresponding Series 2000 A Bond has been purchased under the Ordinance, a notice setting forth the information provided in the Ordinance with respect to the Bonds redeemed and advising such holder that upon the surrender of such holder's Bonds to the Paying Agent, the Paying Agent will deliver to such Bondholder the Series 2000 A Bonds purchased on its behalf. Such notice shall provide the address of the Paying Agent to which this Bond is to be presented.

With respect to the mandatory tender of this Bond, in the event the Series 2000 A Bonds are not issued on the Series 2000 A Bonds Issuance Date, the Paying Agent shall deliver to the Escrow Agent a written certificate stating such and on the Series 2000 A Bonds Issuance Date, the Paying Agent will mail to the Bondholders by first class mail,

postage prepaid, at the address of each Bondholder shown on the Bond Register, a notice stating that the Series 2000 A Bonds were not issued on the Series 2000 A Bonds Issuance Date and will not be issued under the Ordinance, and that such Bondholders are no longer obligated to purchase such Series 2000 A Bonds and that this Bond is no longer subject to redemption pursuant to the mandatory redemption provisions of the Ordinance, but are subject to mandatory tender for purchase by the Escrow Agent from funds and securities on deposit in the Escrow Fund at a price equal to the principal amount thereof, plus accrued interest to and including April 1, 2000.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by the securities and cash deposited in the Escrow Fund (as defined in the Ordinance) and earnings thereon, which shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from such Escrow Fund. 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 Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon, shall be applied solely to the purchase of securities to be deposited in the Escrow Fund, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS, WEST VIRGINIA, has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT B - FORM OF SERIES 1998 B BOND

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
TAXABLE COMBINED WATERWORKS AND SEWERAGE
SYSTEM REFUNDING REVENUE BOND,
SERIES 1998 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, West Virginia, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 199___ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date

is provided for. Capitalized terms used and not defined herein shall have the same meanings set forth in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $200,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____, designated "City of St. Albans, West Virginia Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 B" (the "Bonds" or the "Series 1998 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 1998, the proceeds of which are to be used, together with other funds of the Issuer, to facilitate the subsequent issuance and sale of its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A (the "Series 2000 A Bonds"), on April 1, 2000, the proceeds of which will be used to currently refund the Issuer's Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990 (the "Series 1990 Bonds"), which were issued to refinance the cost of acquisition and construction of certain additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer and to pay costs of issuance of the Bonds and the Series 1998 A Bonds hereinafter described.

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 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the council of the Issuer on _____, 1998, as supplemented by a supplemental resolution duly adopted by the council on _____, 1998 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may

be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THE BONDS ARE ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 A, DATED _____, 199__, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1998 A BONDS").

IF THE SERIES 2000 A BONDS ARE ISSUED ON APRIL 1, 2000, THE BONDS SHALL ON AND AFTER SUCH DATE BE ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE SERIES 2000 A BONDS.

IF THE SERIES 2000 A BONDS ARE NOT ISSUED ON APRIL 1, 2000, THE BONDS SHALL ON AND AFTER SUCH DATE BE ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE SERIES 1990 BONDS.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds shall be subject to optional redemption in whole or in part on and after April 1, 2000, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Bonds shall not be subject to mandatory sinking fund redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by first class mail not less than 30 days nor more than 60 days prior to the date fixed for redemption to the

Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by the securities and cash deposited in the Escrow Fund (as defined in the Ordinance) and earnings thereon, which shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from such Escrow Fund. If the Series 2000 A Bonds are issued on April 1, 2000, the Bonds shall on and after such date be payable from and secured by a first lien on the Net Revenues (as defined in the Ordinance) to be derived from the System on a parity with the lien of the Series 2000 A Bonds. If the Series 2000 A Bonds are not issued on April 1, 2000, the Bonds shall on and after such date be payable from and secured by a first lien on the Net Revenues derived from the System on a parity with the lien of the Series 1990 Bonds. 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 Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon, shall be applied solely to the purchase of securities to be deposited in the Escrow Fund, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of funds has been pledged to and will be set aside in the Escrow Fund and upon the issuance of the Series 2000 A Bonds, a sufficient amount of Net Revenues will be pledged to and set aside in a special fund by the

Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS, WEST VIRGINIA, has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT C - FORM OF SERIES 2000 A BOND

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REFUNDING REVENUE BOND,
SERIES 2000 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, West Virginia, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 2000 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is

provided for. Capitalized terms used and not defined herein shall have the same meanings set forth in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____, designated "City of St. Albans, West Virginia Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2000, the proceeds of which are to be used, together with other funds of the Issuer, to currently refund the Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990, of the Issuer, outstanding in the total aggregate principal amount of $_____ (the "Series 1990 Bonds"), which were issued to refinance the cost of acquisition and construction of certain additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer.

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 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the council of the Issuer on _____, 199__, as supplemented by a supplemental resolution duly adopted by the council on _____, 199__ (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued

additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THE BONDS ARE ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B, DATED _____, 199__, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1998 B BONDS") AND _____.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds shall not be subject to optional redemption.

(B) Mandatory Sinking Fund Redemption. The Bonds maturing April 1, 2013, shall be subject to mandatory sinking fund redemption on April 1, in the years and amounts (with the Bonds to be redeemed being selected by lot) and at the price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption as follows:

Year (April 1)	Principal Amount
2008	$210,000
2009	220,000
2010	230,000
2011	240,000
2012	250,000
2013 (Maturity)	265,000

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by first class mail not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of

Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by (i) the Net Revenues (as defined in the Ordinance) to be derived from the System, (ii) all moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account established under the Ordinance and (iii) the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% 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 prior to or on a parity with the Bonds. 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 Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest, if any, thereon, shall be applied solely to refund the Series 1990 Bonds and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS, WEST VIRGINIA, has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

CITY OF ST. ALBANS, WEST VIRGINIA

TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 A, TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B
AND
WHEN, AS AND IF ISSUED
COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICES AND OTHER DETAILS OF THE TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 A AND SERIES 1998 B, AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A, OF THE CITY OF ST. ALBANS; AUTHORIZING AND APPROVING A CONTRACT OF PURCHASE, A REGISTRAR AND PAYING AGENT AGREEMENT, AN ESCROW AGREEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING AN ESCROW AGENT, REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the City of St. Albans (the "Issuer"), in the County of Kanawha, State of West Virginia, is a municipal corporation of said State, the governing body of which is its Council (the "Council");

WHEREAS, the Council duly enacted on September 8, 1998, an ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1990, OF THE CITY OF ST. ALBANS, WEST VIRGINIA; THE ISSUANCE OF TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 A, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,000,000, TAXABLE COMBINED WATERWORKS AND SEWERAGE REFUNDING REVENUE BONDS, SERIES 1998 B, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $200,000 AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,000,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND PROVISIONS FOR BOND INSURANCE; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Ordinance;

WHEREAS, the Ordinance provided generally for the issuance of the Issuer's Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 A (the "Series 1998 A Bonds"), in an aggregate principal amount not to exceed $3,000,000, Taxable Combined Waterworks and Sewerage Refunding Revenue Bonds, Series 1998 B (the "Series 1998 B Bonds"), in an aggregate principal amount not to exceed $200,000 (the Series 1998 A Bonds and the Series 1998 B Bonds are collectively referred to

as the "Series 1998 Bonds"), and Tax-Exempt Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A (the "Series 2000 A" Bonds"), in an aggregate principal amount not to exceed $3,000,000 (the Series 1998 A Bonds, the Series 1998 B Bonds and the Series 2000 A Bonds are collectively referred to as the "Bonds"), for the purposes of paying a portion of the costs of refunding the Issuer's outstanding Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990 (the "Series 1990 Bonds"); funding a reserve account for the Series 2000 A Bonds; and paying costs of issuance thereof, all in accordance with Chapter 8, Article 20 and Chapter 13, Article 2E, of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Ordinance further provided that the exact principal amounts of the Bonds to be sold and the dates, maturities, interest rates, redemption provisions, price and other terms of the Bonds should be established, that an Escrow Agent, Registrar and Paying Agent be designated, that an Escrow Agreement and Registrar and Paying Agent Agreement be approved, and that other matters pertaining to the Bonds be provided for by resolution of the Council upon receipt of a Contract of Purchase acceptable to the Council;

WHEREAS, the Bonds are proposed to be purchased by Crews & Associates, Inc. (the "Original Purchaser"), pursuant to a Contract of Purchase dated the date of adoption hereof (the "Contract of Purchase"); and

WHEREAS, the Council deems it essential and desirable that this Resolution be adopted and that the Contract of Purchase, the Escrow Agreement, the Continuing Disclosure Agreement and the Registrar and Paying Agent Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Bonds, hereinafter described, be approved, that the dates and prices of the Bonds, the maturity dates and amounts, the redemption provisions, the interest rates, and the exact principal amounts of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for, all in accordance with the Ordinance;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF ST. ALBANS HEREBY RESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Resolution is adopted and there are hereby authorized and ordered to be issued the Bonds. The Series 1998 A Bonds shall be dated November 1, 1998, upon original issuance, shall be issued in the aggregate principal amount, bear interest payable semiannually on April 1 and October 1 of each year, commencing April 1, 1999, shall mature on April 1 in such years and shall have such redemption provisions as are set forth in EXHIBIT A - BOND TERMS,

attached hereto and incorporated by reference herein. The Series 1998 B Bonds shall be dated November 1, 1998, upon original issuance, shall be issued in the aggregate principal amount, bear interest payable semiannually on April 1 and October 1 of each year, commencing April 1, 1999, shall mature on April 1 in such years and shall have such redemption provisions as are set forth in EXHIBIT A - BOND TERMS, attached hereto and incorporated by reference herein. The Series 2000 A Bonds shall be dated April 1, 2000, upon original issuance, shall be issued in the aggregate principal amount, bear interest payable semiannually on April 1 and October 1 of each year, commencing October 1, 2000, shall mature on April 1 in such years and shall have such redemption provisions as are set forth in EXHIBIT A - BOND TERMS, attached hereto and incorporated by reference herein. Except as otherwise set forth herein, all other provisions relating to the Bonds shall be as provided in the Ordinance, and the Bonds shall be in substantially the respective forms provided in the Ordinance.

By its purchase of a Series 1998 A Bond, each Series 1998 A Bondholder shall unconditionally and irrevocably agree, upon the authentication and issuance of the Series 2000 A Bonds in accordance with the provisions of the Ordinance and delivery of the Series 2000 A Bond Counsel Opinion as provided in the Ordinance, to purchase on April 1, 2000 (the "Series 2000 A Bonds Issuance Date"), Series 2000 A Bonds in a principal amount equal to the then Outstanding principal amount of such Bondholder's Series 1998 A Bonds at a purchase price equal to the principal amount thereof (the "Series 2000 A Bonds Purchase Price"). By its purchase of a Series 1998 A Bond, each Series 1998 A Bondholder irrevocably appoints the Escrow Agent as its agent and attorney in fact and instructs the Escrow Agent on its behalf to transfer the redemption proceeds of its Series 1998 A Bonds redeemed pursuant to the special mandatory redemption provisions of the Series 1998 A Bonds, in an amount equal to the principal amount of the Series 1998 A Bonds of such Series 1998 A Bondholder which are so redeemed, to the Paying Agent for the Series 1998 A Bonds, which will transfer such amounts to the Underwriter, which will purchase from the Issuer said amount of Series 2000 A Bonds on behalf of such Series 1998 A Bondholder, all for the purpose of satisfying such Series 1998 A Bondholder's obligation to purchase the Series 2000 A Bonds. Such purchase shall be made by the Underwriter on behalf of the Series 1998 A Bondholder (unless enjoined by a court of competent jurisdiction in the event of a bankruptcy or insolvency of a Series 1998 A Bondholder or due to other similar circumstances) automatically and without the necessity of any further action on the part of each Series 1998 A Bondholder. Each Series 1998 A Bondholder, by its purchase of a Series 1998 A Bond, pledges to the Escrow Agent and Paying Agent the proceeds of the redemption of the Series 1998 A Bond to be applied to the purchase by the Underwriter of a like amount of Series 2000 A Bonds on behalf of and for the account of such Series 1998 A Bondholder. Each Series 1998 A Bondholder, by its purchase of a Series 1998 A Bond, is deemed to agree to, acknowledge and accept the terms and conditions described above and to be bound by all of the provisions of the Ordinance and this Resolution, without the necessity of any written acknowledgment, acceptance, signature or receipt of a copy of the Ordinance by such Series 1998 A Bondholder.

The Issuer hereby agrees to issue and sell the Series 2000 A Bonds on the Series 2000 A Bonds Issuance Date, at the Series 2000 A Bonds Purchase Price, to the Series 1998 A Bondholders as their names appear on the Bond Register maintained by the Paying Agent, as of the Series 2000 A Bonds Issuance Date. The Issuer also agrees to take all lawful action within its control, if any, which may be required between the date of the Ordinance and the Series 2000 A Bonds Issuance Date to validly issue the Series 2000 A Bonds with the Series 2000 A Bond Counsel Opinion on the Series 2000 A Bonds Issuance Date upon payment of the Series 2000 A Bonds Purchase Price. To that end, the Issuer covenants and agrees to file such reports and information returns, hold such public hearings and otherwise conduct its affairs as may be required to enable Bond Counsel to deliver the Series 2000 A Bond Counsel Opinion.

In the event of any changes in facts or changes in federal or state law, court decisions, pending litigation directly and materially affecting the delivery of the Series 2000 A Bonds, regulations, proposed regulations or rulings of administrative agencies occurring or in effect on or prior to the Series 2000 A Bonds Issuance Date which relate solely to the state income tax treatment of interest on the Series 2000 A Bonds or the federal income tax treatment of the Series 2000 A Bonds (including any changes which indicate that interest on the Series 2000 A Bonds may be includable in gross income for purposes of any alternative minimum tax provisions of the Code, which changes will be permitted in the opinion), but which do not result in the inclusion of interest on the Series 2000 A Bonds in the gross income of the Bondholders thereof (except with respect to "substantial users" of the Project or "related persons, as such terms are defined in the Code, or with respect to the application of any alternative minimum tax provisions of the Code), the Issuer will nonetheless be obligated to issue the Series 2000 A Bonds with the Series 2000 A Bond Counsel Opinion, as modified by Bond Counsel to appropriately reflect the changes, and each Series 1998 A Bondholder agrees to accept and purchase the Series 2000 A Bonds with the redemption proceeds of its Series 1998 A Bonds.

Notwithstanding the forgoing, the Issuer will be relieved of its obligation to issue the Series 2000 A Bonds and to obtain delivery of the Series 2000 A Bond Counsel Opinion if there shall have been enacted, adopted, proposed, promulgated or endorsed after the date of the Ordinance any provisions of or interpretation of any statute, regulation, ruling or revenue procedure, or any decision of any court or administrative body or agency that adversely affects the validity of the Series 2000 A Bonds, the exclusion from gross income of interest on the Series 2000 A Bonds for federal income tax purposes of the Code, or the Issuer's obligations under applicable securities laws, and the Issuer shall have determined in good faith that compliance therewith would impose a substantial and material economic or administrative burden on the Issuer or otherwise substantially adversely affect the Issuer; provided, however, that a change in market interest rates will, among other things, not be treated as being an economic or administrative burden, or as having an adverse effect, for the purposes of relieving the Issuer of its obligation to issue the Series 2000 A Bonds. Any such determination made by the Issuer will be conclusive, final and binding on the Series 1998 A

Bondholders, the Escrow Agent and the Paying Agent and will not be subject to review of any kind or nature whatsoever.

If the Series 2000 A Bonds are not issued on the Series 2000 A Bonds Issuance Date, the Series 1998 A Bonds will be subject to mandatory tender to the Escrow Agent, at which time the Escrow Agent will apply cash and securities held by the Escrow Agent toward the purchase of the tendered Series 1998 A Bonds and the Series 1998 A Bonds will not be subject to redemption pursuant to the special mandatory redemption provisions and in such event, no Series 2000 A Bonds will be issued and neither the Escrow Agent, the Paying Agent nor the Issuer will have any liabilities to or be subject to any claim by any Series 1998 A Bondholder, and each Series 1998 A Bondholder by accepting a Series 1998 A Bond agrees to such provisions.

Section 2. The Contract of Purchase between the Original Purchaser and the Issuer, dated the date of adoption of this Resolution, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor on this day of the Contract of Purchase on behalf of the Issuer are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Contract of Purchase with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Contract of Purchase by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Contract of Purchase relating to the issuance and sale of the Bonds, including the payment of all necessary fees and expenses in connection therewith. The price of the Series 1998 A Bonds, pursuant to the Contract of Purchase, shall be $2,452,534.72 ($2,500,000 par amount, less $56,250 Underwriter's Discount), plus accrued interest of $8,784.72 from the date of the Series 1998 A Bonds to the date of delivery of the Series 1998 A Bonds, expected to be on or about November 24, 1998 (the "Closing Date"). The price of the Series 1998 B Bonds, pursuant to the Contract of Purchase, shall be $166,772.36 ($170,000 par amount, less $3,825 Underwriter's Discount), plus accrued interest of $597.36 from the date of the Series 1998 B Bonds to the date of delivery of the Series 1998 B Bonds, expected to be on or about the Closing Date. The price of the Series 2000 A Bonds, pursuant to the Contract of Purchase, shall be $2,500,000 (par amount).

Section 3. The Escrow Agreement between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent, to be dated the Closing Date, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Escrow Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 4. The Continuing Disclosure Agreement between the Issuer and Bank One, West Virginia, NA, Charleston, West Virginia, as the Dissemination Agent, to be dated the Closing Date, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Continuing Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 5. The Official Statement dated the date of adoption of this Resolution, to be substantially in the form of the Preliminary Official Statement described below (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby authorized, approved and directed. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section. The distribution by the Original Purchaser of the Preliminary Official Statement dated November 13, 1998 (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting is hereby ratified and approved.

Section 6. The Registrar and Paying Agent Agreement between the Issuer and the Registrar and Paying Agent designated herein, to be dated the Closing Date, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Registrar and Paying Agent Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar and Paying Agent Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 7. Pursuant to Section 10.01 of the Ordinance, the following sections of the Ordinance shall be amended and the Ordinance shall be conformed to reflect such amendments, as follows:

The following definition in Section 1.01 of the Ordinance shall be amended as follows:

"Series 2000 A Bonds Reserve Requirement" means~~, as of any date of calculation, the lesser of~~ a sum of $125,000, which is less than (i) 10% of the original stated principal amount of the Series 2000 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2000 A Bonds in any year; ~~or~~ and (iii) 125% of the average amount of principal and interest which will become due on the Series 2000 A Bonds.

Section 3.14(C) of the Ordinance shall be amended as follows:

(C) Upon the issuance and delivery of the Series 2000 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(i) All interest accrued on the Series 2000 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2000 A Bonds Sinking Fund and applied to payment of interest on the Series 2000 A Bonds at the first interest payment date.

(ii) An amount of the proceeds of the Series 2000 A Bonds which, together with other moneys or securities available therefor, shall be sufficient to accomplish the current refunding and defeasance of the Series 1990 Bonds shall be paid to the paying agent for the Series 1990 Bonds.

~~(iii) An amount of the proceeds of the Series 2000 A Bonds, if any, which may be necessary to refund the Series 1998 B Bonds or portion thereof (to the extent moneys in the Escrow Fund are insufficient therefor) shall be paid to the paying agent for the Series 1998 B Bonds.~~

~~(iv)~~(iii) An amount of the proceeds of the Series 2000 A Bonds equal to the Series 2000 A Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2000 A Bonds Reserve Account, provided that, to the extent the Series 2000 A Bonds Reserve Requirement is satisfied in whole or in part with a reserve account letter of credit, surety bond or other credit facility, or from proceeds of any fund or account established pursuant to the 1990 Ordinance or other funds of the Issuer, proceeds of the Series 2000 A Bonds shall be deposited in the Series 2000 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2000 A Bonds Reserve Requirement.

~~(v)~~(iv) The balance of the proceeds of the Series 2000 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance

of the Series 2000 A Bonds and miscellaneous costs of refunding the Series 1990 Bonds at the written direction of the Issuer. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the Issuer to the Series 2000 A Bonds Redemption Account. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Series 2000 A Bonds.

Section 4.03A of the Ordinance shall be amended as follows:

The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Ordinance. Until the Series 2000 A Bonds are issued and the Series 1990 Bonds are defeased, neither the Series 1998 A Bonds nor the Series 1998 B Bonds shall be payable from the ~~Gross~~ Net Revenues, and all revenues shall be disposed of in accordance with the provisions of the ordinance pursuant to which the Series 1990 Bonds were issued and any subsequent ordinance authorizing the issuance of additional ~~Combined Waterworks and Sewerage System Revenue~~ Bonds. Upon issuance of the Series 2000 A Bonds and defeasance of the Series 1990 Bonds, all revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority.

~~(4)~~(1) The Issuer shall ~~next~~ first, each month, pay from the Revenue Fund the Operating Expenses of the System.

~~(1)~~(2) The Issuer shall ~~first~~ next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Series 1998 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 1998 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the

Series 1998 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 6 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 1998 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 1998 B Bonds deposited therein; and (ii) commencing 6 months prior to the first interest payment date of the Series 2000 A Bonds, ~~transfer from the Revenue Fund and remit to the Bond Commission~~ for deposit in the Series 2000 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2000 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 6 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2000 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2000 A Bonds deposited therein.

~~(2)~~(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Series 1998 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on the Series 1998 B Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 B Bonds Sinking Fund and the next ensuing annual principal payment date is more or less than 12 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date, the required

amount of principal coming due on such date; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2000 A Bonds, ~~transfer from the Revenue Fund and remit to the Bond Commission~~ for deposit in the Series 2000 A Bonds Sinking Fund and in the Series 2000 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2000 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 12 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

~~(3)~~(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Bond Commission for deposit in the Series 2000 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2000 A Bonds Reserve Account below the Series 2000 A Bonds Reserve Requirement or any withdrawal from the Series 2000 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2000 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2000 A Bonds Reserve Account is less than the Series 2000 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2000 A Bonds Reserve Account for deposit into the Series 2000 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2000 A Bonds Reserve Account to an amount equal to the Series 2000 A Bonds Reserve Requirement to the full extent that such Gross Revenues are

available; provided however, that if the shortfall in the Series 2000 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2000 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2000 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2000 A Bonds Reserve Requirement. Amounts in the Series 2000 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2000 A Bonds when due, when amounts in the Series 2000 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

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

~~(6)~~ The Series 1998 B Bonds and any other bonds payable from the revenues of the System subsequent to the issuance of the Series 1998 A Bonds and Series 1998 B Bonds, unless otherwise determined, shall, following issuance of the Series 2000 A Bonds, be payable on a parity with the Series 2000 A Bonds, in the same manner and in the order of priority as set forth for the Series 2000 A Bonds in paragraph ~~(1)~~(2) and ~~(2)~~(3) of this Section 4.03. The Series 1998 B Bonds may remain Outstanding following issuance of the

Series 2000 A Bonds. There shall be no Reserve Account with respect to the Series 1998 B Bonds.

Section 4.05 of the Ordinance shall be amended as follows:

~~The~~ Until April 1, 2000, the Series 1998 A Bonds, the Series 1998 B Bonds and the interest thereon shall not be payable from the Revenue Fund, the Gross Revenues or the Net Revenues, but shall be payable solely from ~~proceeds of the Series 1998 A Bonds and Series 1998 B Bonds~~ United States Treasury obligations and/or a guaranteed investment agreement and from cash deposited in the Escrow Fund and earnings thereon ~~and, to the extent such funds are not sufficient, from proceeds of the Series 2000 A Bonds. In the event the Series 2000 A Bonds are not issued on or before April 1, 2000, the Series 1990 Bonds will not be refunded and the amounts then on deposit in the Escrow Fund shall be applied to redemption of the Series 1998 A and Series 1998 B Bonds~~. On April 1, 2000, moneys in the Escrow Fund shall be delivered by the Escrow Agent to the Paying Agent of the Series 1998 A Bonds for the special mandatory redemption of the Series 1998 A Bonds and, in accordance with the instructions of the Issuer to the Paying Agent of the Series 1998 A Bonds, the Paying Agent shall transfer the redemption proceeds of the Series 1998 A Bonds to the Underwriter for the purchase of the Series 2000 A Bonds and thereafter, the proceeds of the Series 2000 A Bonds shall be transferred by the Underwriter to the Paying Agent of the Series 1990 Bonds to currently refund the Series 1990 Bonds and defease the lien of the 1990 Ordinance. On and after April 1, 2000, the Series 1998 B Bonds and the Series 2000 A Bonds will be payable from and secured by a first lien on the Net Revenues derived from the System on a parity with each other.

In the event the Series 2000 A Bonds are not issued, the Series 1998 A Bonds shall be subject to mandatory tender on April 1, 2000, at a price equal to the principal amount thereof, plus interest accrued to such date, such amounts payable solely from funds in the Escrow Fund in accordance with the terms of the Escrow Agreement. In such event, the Series 1990 Bonds and the Series 1998 B Bonds will remain outstanding and will be payable from and secured by a first lien on the Net Revenues derived from the System on a parity with each other.

Section 6.02 of the Ordinance shall be amended as follows:

The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the ~~Gross~~ Net Revenues of the System, all as herein provided. No Holder or Holders of the Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 6.03 of the Ordinance shall be amended as follows:

Series 2000 A Bonds Secured by Pledge of ~~Gross~~ Net Revenues. On and after April 1, 2000, the payment of the debt service of all of the Series 1998 B Bonds and the Series 2000 A Bonds ~~issued hereunder~~ shall be secured forthwith equally and ratably on a parity with each other by a first lien on the ~~Gross~~ Net Revenues derived from the System. In the event the Series 2000 A Bonds are not issued, the Series 1998 A Bonds shall be subject to mandatory tender. In such event the Series 1990 Bonds and the Series 1998 B Bonds will remain outstanding and the payment of the debt service of all of the Series 1998 B Bonds and the Series 1990 Bonds shall be secured forthwith equally and ratably on a parity with each other by a first lien on the Net Revenues derived from the System. The ~~Gross~~ Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 1998 B Bonds and the Series 2000 A Bonds herein authorized, and to make the payments into all funds and accounts, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Series 1998 B Bonds and the Series 2000 A Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

The first paragraph of Section 6.04 of the Ordinance shall be amended as follows:

Prior to the issuance of the 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 City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule 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 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 120% of the maximum amount required in any year for payment of principal of and interest on the Series 1998 B Bonds and the Series 2000 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1998 B Bonds and the Series 2000 A Bonds; provided however, that so long as the Series 1990 Bonds are outstanding, such coverage must equal at least 125%. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The fourth paragraph of Section 6.08 of the Ordinance shall be amended as follows:

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 125%, so long as the Series 1990 Bonds are outstanding and thereafter, 120%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

Section 6.10 of the Ordinance shall be amended as follows:

For the further protection of the Holders of the Series 1998 B Bonds and the Series 2000 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 on April 1, 2000, immediately upon delivery of the Series 2000 A Bonds.

Section 6.17 of the Ordinance shall be amended as follows:

The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2000 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2000 A Bonds during the term thereof is, under the terms of the Series 2000 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2000 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2000 A Bonds during the term thereof is, under the terms of the Series 2000 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for

said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2000 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2000 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2000 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2000 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2000 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 10.12 of the Ordinance shall be amended as follows:

All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed; provided however, that the 1990 Ordinance shall remain in effect until the Series 1990 Bonds have been refunded and defeased.

Section 8. Based upon the actual principal amounts, maturity schedules and interest rates for the Series 2000 A Bonds, as set forth in EXHIBIT A - BOND TERMS, attached hereto, it is hereby determined that the Series 2000 A Bonds show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 2000 A Bonds, the Issuer shall have obtained from Smith, Cochran & Hicks, P.L.L.C., Charleston, West Virginia or such other independent certified public accountant acceptable to the Mayor, a certification that the amount of savings stated to be achieved by

the refunding shall in fact be correct, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2000 A Bonds and the net interest cost in dollars of the Series 1990 Bonds. The Mayor are hereby authorized and directed to employ Smith, Cochran & Hicks, P.L.L.C., Charleston, West Virginia or such other independent certified public accountant satisfactory to Bond Counsel to supply the certification required herein and to take other actions required in connection with the refunding.

Section 9. The Issuer does hereby appoint and designate Bank One, West Virginia, NA, Charleston, West Virginia, for the purpose of serving in the capacities of Registrar and Paying Agent.

Section 10. The Issuer does hereby appoint and designate One Valley Bank, National Association, St. Albans, West Virginia, for the purpose of serving in the capacity of Depository Bank.

Section 11. The firm of Steptoe & Johnson, Clarksburg, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Bonds.

Section 12. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Escrow Agent under the Escrow Agreement.

Section 13. The firm of Smith, Cochran & Hicks, P.L.L.C., Charleston, West Virginia, is hereby engaged as verification agent for the purpose of verifying yield, savings and sufficiency of the Escrow Fund.

Section 14. The notice addresses for the Registrar, Paying Agent, Depository Bank, Escrow Agent, Original Purchaser and Bond Insurer shall be as follows:

REGISTRAR AND PAYING AGENT

Bank One, West Virginia, NA
Bank One Plaza
Charleston, West Virginia 25301
Attention: Corporate Trust Department

DEPOSITORY BANK

One Valley Bank, National Association
6th Avenue and 5th Street
St. Albans, West Virginia 25177
Attention: Corporate Trust Department

ESCROW AGENT

West Virginia Municipal Bond Commission
812 Quarrier Street, Suite 300
Charleston, West Virginia 25301
Attention: Executive Director

ORIGINAL PURCHASER

Crews & Associates
2000 Union National Plaza
124 West Capitol
Little Rock, Arkansas 72201
Attention: Public Finance

Section 15. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds, including, but not limited to, subscription forms for the purchase of United States Treasury Obligations, to the end that the Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Contract of Purchase.

Section 16. Under the provisions of the Act, and as provided in the Ordinance and the Bonds, the Bonds and the interest thereon do not constitute indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the moneys in the Escrow Fund established by the Escrow Agreement, and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Bonds and the interest thereon.

Section 17. This Resolution shall be effective immediately.

Adopted this 16th day of November, 1998.

[SEAL]

L. O. "Jack" Hensel Jr.
Mayor

CL485326.2

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the City Council of the CITY OF ST. ALBANS at a special meeting of the City Council held on November 16, 1998, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 24th day of November, 1998.

[SEAL]

Barbara Cunningham
City Clerk

11/16/98
858350/98002

EXHIBIT A - BOND TERMS

City of St. Albans, West Virginia
Taxable Combined Waterworks and Sewerage
System Refunding Revenue Bonds, Series 1998 A

CUSIP	Bond No.	Maturity (April 1)	Amount	Interest Rate
787175 BK3	AR-1	2002	$160,000	5.500%
787175 BL1	AR-2	2003	170,000	5.500
787175 BM9	AR-3	2004	175,000	5.500
787175 BN7	AR-4	2005	185,000	5.500
787175 BP2	AR-5	2006	195,000	5.500
787175 BQ0	AR-6	2007	200,000	5.500
787175 BR8	AR-7	2013	1,415,000	5.500

City of St. Albans, West Virginia
Taxable Combined Waterworks and Sewerage
System Refunding Revenue Bonds, Series 1998 B

CUSIP	Bond No.	Maturity (April 1)	Amount	Interest Rate
787175 BS6	BR-1	2001	$170,000	5.500%

City of St. Albans, West Virginia
Combined Waterworks and Sewerage
System Refunding Revenue Bonds, Series 2000 A

CUSIP	Bond No.	Maturity (April 1)	Amount	Interest Rate
787175 BU1	AR-1	2002	$160,000	4.100%
787175 BV9	AR-2	2003	170,000	4.150
787175 BW7	AR-3	2004	175,000	4.250
787175 BX5	AR-4	2005	185,000	4.350
787175 BY3	AR-5	2006	195,000	4.450
787175 BZ0	AR-6	2007	200,000	4.500
787175 CA4	AR-7	2013	1,415,000	4.700

Optional Redemption

The Series 1998 A Bonds shall not be subject to optional redemption. The Series 1998 B Bonds shall be subject to optional redemption in whole or in part on and after April 1, 2000, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 1998 B Bonds shall be called for optional redemption, the particular maturities of the Series 1998 B Bonds to be redeemed shall be selected by the Issuer in such manner as it shall determine.

The Series 2000 A Bonds shall not be subject to optional redemption.

Mandatory Sinking Fund Redemption

The Series 1998 A Bonds and the Series 1998 B Bonds shall not be subject to mandatory sinking fund redemption.

The Series 2000 A Bonds maturing April 1, 2013, shall be subject to mandatory sinking fund redemption on April 1, in the years and amounts (with the Series 2000 A Bonds to be redeemed being selected by lot) and at the price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption as follows:

Year (April 1)	Principal Amount
2008	$210,000
2009	220,000
2010	230,000
2011	240,000
2012	250,000
2013 (Maturity)	265,000

Mandatory Redemption of Series 1998 A Bonds

Upon the satisfaction of the conditions set forth in the Ordinance for the issuance of the Series 2000 A Bonds, and upon the performance by the Escrow Agent, on behalf of each Series 1998 A Bondholder of such Series 1998 A Bondholder's obligation to purchase Series 2000 A Bonds in an amount equal to the then Outstanding principal amount of such Series 1998 A Bondholder's Series 1998 A Bonds, each Series 1998 A Bond with respect to which the foregoing conditions have been satisfied shall be subject to mandatory redemption on April 1, 2000, without notice, at a price equal to the principal amount thereof, plus accrued interest thereon to and including the date fixed for redemption. In the event the conditions set forth in the Ordinance for the issuance of the Series 2000 A Bonds are satisfied, but the Escrow Agent is prevented by a court of competent jurisdiction from performing on behalf of a Series 1998 A Bondholder its obligation to purchase a corresponding amount of Series 2000 A Bonds, as set forth above, then such Series 1998 A Bonds shall not be subject to mandatory redemption and will instead be subject to mandatory tender as described below.

Mandatory Tender of Series 1998 A Bonds

In the event the Series 2000 A Bonds are not issued on April 1, 2000, the Series 1998 A Bonds shall be subject to mandatory tender to the Escrow Agent, at which time the Escrow Agent will apply cash and securities held by the Escrow Agent toward the purchase of the tendered Series 1998 A Bonds at a price equal to the principal amount thereof, plus accrued interest to and including April 1, 2000. The Series 1998 A Bonds shall be deemed paid in such event and will no longer be outstanding.

SPECIMEN

No. AR-1 $160,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS, WEST VIRGINIA
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REFUNDING REVENUE BOND,
SERIES 2000 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.100%	April 1, 2002	April 1, 2000	787175 BU1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, West Virginia, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on October 1 and April 1, in each year, beginning October 1, 2000 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the same meanings set forth in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by Bank One, West Virginia, NA, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each March 15 and September 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by Bank One, West Virginia, NA, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $2,500,000, designated "City of St. Albans, West Virginia Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated April 1, 2000, the proceeds of which are to be used, together with other funds of the Issuer, to currently refund the Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990, of the Issuer, outstanding in the total aggregate principal amount of $2,505,000 (the "Series 1990 Bonds"), which were issued to refinance the cost of acquisition and construction of certain additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer.

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 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the council of the Issuer on September 8, 1998, as supplemented by a supplemental resolution duly adopted by the council on November 16, 1998 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of St. Albans, West Virginia.

THE BONDS ARE ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING BONDS OF THE ISSUER: (i) TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $170,000 (THE "SERIES 1998 B BONDS"); (ii) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"); AND (iii) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS," AND TOGETHER WITH THE SERIES 1998 B BONDS AND SERIES 2000 B BONDS, HEREIN CALLED THE "PRIOR BONDS").

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds shall not be subject to optional redemption.

(B) Mandatory Sinking Fund Redemption. The Bonds maturing April 1, 2013, shall be subject to mandatory sinking fund redemption on April 1, in the years and amounts (with the Bonds to be redeemed being selected by lot) and at the price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption as follows:

Year (April 1)	Principal Amount
2008	$210,000
2009	220,000
2010	230,000
2011	240,000
2012	250,000
2013 (Maturity)	265,000

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by first class mail not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by (i) the Net Revenues (as defined in the Ordinance) to be derived from the System, (ii) all moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account established under the Ordinance and (iii) the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% 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 prior to or on a parity with the Bonds, including the Prior Bonds. 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 Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest, if any, thereon, shall be applied solely to refund the Series 1990 Bonds and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the

issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS, WEST VIRGINIA, has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

L. O. Hessel Jr.
Mayor

ATTEST:

Barbara Cunningham
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: April 1, 2000.

BANK ONE, WEST VIRGINIA, NA, as
Registrar

By Lorene Mullins
Its Authorized Officer

CL595533.1

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

03/02/00
858350/98002

Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Beckley Bridgeport Charleston Montgomery
405 Capitol Street • Suite 908 • Charleston, West Virginia 25301 • 304-345-1151 • Fax 304-346-6731

City of St. Albans
St. Albans, West Virginia

Steptoe & Johnson
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Bank One, West Virginia, N.A., as Paying Agent
Charleston, West Virginia

West Virginia Municipal Bond Commission, as Escrow Agent
Charleston, West Virginia

$2,500,000
City of St. Albans, West Virginia
Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998A

$170,000
City of St. Albans, West Virginia
Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998B

and when, as and if issued,

$2,500,000
City of St. Albans, West Virginia
Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000A

We have verified the mathematical accuracy of certain schedules relating to the issuance of the above captioned bond issues (the "Series 1998A Bonds", the "Series 1998B Bonds", and the "Series 2000A Bonds") and the refunding of certain outstanding bonds described herein, prepared on behalf of the City of St. Albans, West Virginia (the "City") prepared by Crews & Associates, Inc. (the "Underwriter") and provided to us by that firm. The bonds to be refunded consist of the City of St. Albans, West Virginia Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990, of which $2,730,000 principal amount is currently outstanding (the "Prior Bonds"). The refunding of the Prior Bonds will occur on April 1, 2000, assuming compliance with the provisions and requirements of the Bond Ordinance dated September 8, 1998, as amended.

The schedules quantitatively represent the assertions: 1) the anticipated receipts from $2,504,000 United States Treasury Notes (the "Escrow Securities"), together with an initial cash deposit of $1,103.74 (the "Initial Cash Deposit") and certain other amounts on deposit with the Escrow Agent

will be sufficient to pay: (a) the interest on the Series 1998A Bonds and the Series 1998B Bonds, beginning April 1, 1999, to and including April 1, 2000; (b) in the event the Series 2000A Bonds are issued on April 1, 2000, the remaining principal of the Prior Bonds in the amount of $2,505,000, scheduled to mature on April 1, 2001, and thereafter, at a price of 102%; or (c) in the event the Series 2000A Bonds are not issued on April 1, 2000, to purchase upon mandatory tender the Series 1998A Bonds; and, 2) other assertions and computations related to the issuance of the Series 1998A, 1998B and 2000A Bonds.

The closing date for the Series 1998A and 1998B Bonds and the purchase date for the Escrow Securities are assumed to be November 24, 1998. The issue date of the Series 2000A Bonds is assumed April 1, 2000.

In our opinion, the computations contained in the schedule provided to us are mathematically correct and reflect:

1) the anticipated receipts from the Escrow Securities, together with the Initial Cash Deposit and certain other amounts on deposit with the Trustee, will be sufficient to pay: (a) the interest on the Series 1998A Bonds and the Series 1998B Bonds, beginning April 1, 1999, to and including April 1, 2000; (b) in the event the Series 2000A Bonds are issued on April 1, 2000, the remaining principal of the Prior Bonds in the amount of $2,505,000, scheduled to mature on April 1, 2001, and thereafter, at a price of 102%; or (c) in the event the Series 2000A Bonds are not issued on April 1, 2000, to purchase upon mandatory tender the Series 1998A Bonds, assuming all receipts from the escrow fund are used as described herein; and,

2) the net present value interest cost savings to the City as a result of the refunding transaction is not less than $248,077.

The scope of our engagement was limited to verifying the mathematical accuracy of the computations contained in the schedule provided to us by the Underwriter. The terms of our engagement are such that we have no obligation to update this report because of events occurring, or data coming to our attention subsequent to the date of this report.

This report is not to be referred to or quoted without our prior written consent, except that (i) reference thereto may be made in the Ordinance and Official Statement for the Bonds, (ii) reference thereto may be made in the Bond Purchase Agreement and in the closing documents and opinions of Counsel relating to the Bonds, (iii) this report may be used as an exhibit to the Escrow Agreement, and (iv) this report may be included in the transcripts for the Bonds.

Smith, Cochran, Hicks, P.L.L.C.

Charleston, West Virginia
November 24, 1998

SCH

City of St. Albans, West Virginia
Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds
Series 1998A

Debt Service Requirements

	principal	rate	interest	total
11/1/98				
4/1/99			57,291.67	57,291.67
10/1/99			68,750.00	68,750.00
4/1/00			68,750.00	68,750.00
10/1/00			68,750.00	68,750.00
4/1/01			68,750.00	68,750.00
10/1/01			68,750.00	68,750.00
4/1/02	160,000	5.50%	68,750.00	228,750.00
10/1/02			64,350.00	64,350.00
4/1/03	170,000	5.50%	64,350.00	234,350.00
10/1/03			59,675.00	59,675.00
4/1/04	175,000	5.50%	59,675.00	234,675.00
10/1/04			54,862.50	54,862.50
4/1/05	185,000	5.50%	54,862.50	239,862.50
10/1/05			49,775.00	49,775.00
4/1/06	195,000	5.50%	49,775.00	244,775.00
10/1/06			44,412.50	44,412.50
4/1/07	200,000	5.50%	44,412.50	244,412.50
10/1/07			38,912.50	38,912.50
4/1/08	210,000	5.50%	38,912.50	248,912.50
10/1/08			33,137.50	33,137.50
4/1/09	220,000	5.50%	33,137.50	253,137.50
10/1/09			27,087.50	27,087.50
4/1/10	230,000	5.50%	27,087.50	257,087.50
10/1/10			20,762.50	20,762.50
4/1/11	240,000	5.50%	20,762.50	260,762.50
10/1/11			14,162.50	14,162.50
4/1/12	250,000	5.50%	14,162.50	264,162.50
10/1/12			7,287.50	7,287.50
4/1/13	265,000	5.50%	7,287.50	272,287.50
	$ 2,500,000		**$ 1,298,641.67**	**$ 3,798,641.67**

SCH

City of St. Albans, West Virginia
Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds
Series 1998B

Debt Service Requirements

	principal	rate	interest	total
11/1/98				
4/1/99			3,895.83	3,895.83
10/1/99			4,675.00	4,675.00
4/1/00			4,675.00	4,675.00
10/1/00			4,675.00	4,675.00
4/1/01	170,000	5.50%	4,675.00	174,675.00
	$ 170,000		**$ 22,595.83**	**$ 192,595.83**

SCH

City of St. Albans, West Virginia
Combined Waterworks and Sewerage System Refunding Revenue Bonds
Series 2000A

Debt Service Requirements

	principal	rate	interest	total
11/1/98				
4/1/99				-
10/1/99				-
4/1/00				-
10/1/00			56,641.25	56,641.25
4/1/01			56,641.25	56,641.25
10/1/01			56,641.25	56,641.25
4/1/02	160,000	4.10%	56,641.25	216,641.25
10/1/02			53,361.25	53,361.25
4/1/03	170,000	4.15%	53,361.25	223,361.25
10/1/03			49,833.75	49,833.75
4/1/04	175,000	4.25%	49,833.75	224,833.75
10/1/04			46,115.00	46,115.00
4/1/05	185,000	4.35%	46,115.00	231,115.00
10/1/05			42,091.25	42,091.25
4/1/06	195,000	4.45%	42,091.25	237,091.25
10/1/06			37,752.50	37,752.50
4/1/07	200,000	4.50%	37,752.50	237,752.50
10/1/07			33,252.50	33,252.50
4/1/08	210,000	4.70%	33,252.50	243,252.50
10/1/08			28,317.50	28,317.50
4/1/09	220,000	4.70%	28,317.50	248,317.50
10/1/09			23,147.50	23,147.50
4/1/10	230,000	4.70%	23,147.50	253,147.50
10/1/10			17,742.50	17,742.50
4/1/11	240,000	4.70%	17,742.50	257,742.50
10/1/11			12,102.50	12,102.50
4/1/12	250,000	4.70%	12,102.50	262,102.50
10/1/12			6,227.50	6,227.50
4/1/13	265,000	4.70%	6,227.50	271,227.50
	$ 2,500,000		**$ 926,452.50**	**$ 3,426,452.50**

SCH

City of St. Albans, West Virginia
Combined Waterworks and Sewerage System Refunding Revenue Bonds
Series 1998A, 1999B and 2000A

Sources and Uses of Funds - Series 1998A and 1998B

Sources of funds		
Series 1998A proceeds	$	2,500,000.00
Accrued interest on the Series 1998A Bonds		8,784.72
Series 1998B proceeds		170,000.00
Accrued interest on the Series 1998B Bonds		597.36
Total sources of funds	$	2,679,382.08
Uses of funds		
Deposit to escrow fund	$	2,558,377.49
Underwriter's discount		60,075.00
Costs of issuance		56,848.01
Contingency		4,081.58
Total uses of funds	$	2,679,382.08

Sources and Uses of Escrow

Sources of funds		
Net funded amount from bond proceeds	$	2,558,377.49
Interest earnings (net of accrued interest purchased)		149,660.01
Total sources of funds	$	2,708,037.50
Uses of funds		
Outstanding Series 1998A Bonds	$	2,500,000.00
Interest on 1998A Bonds		194,791.67
Interest on 1998B Bonds		13,245.83
Total uses of funds	$	2,708,037.50

Sources and Uses - Series 2000A

Sources of funds		
Series 2000A proceeds	$	2,500,000.00
Prior Bond debt service reserve fund		309,613.00
Total sources of funds	$	2,809,613.00
Uses of funds		
Redemption requirements of Series 1990 Bonds	$	2,505,000.00
Call premium		50,100.00
Deposit to debt service reserve		125,000.00
Funds released to City		125,000.00
Contingency		4,513.00
Total uses of funds	$	2,809,613.00

SCH

City of St. Albans, West Virginia
Combined Waterworks and Sewerage System Refunding Revenue Bonds
Series 1998A, 1998B and 2000A

Calculation of net interest cost savings

	refunded debt	refunding debt 1998A & B	refunding debt 1998B & 2000A	escrow cash flow	gross savings	pv factor @ 5.4258167%	present value savings
11/1/98							
4/1/99		61,187.50		(61,187.50) *	-	0.981291186	-
10/1/99		73,425.00		(73,425.00) *	-	0.955372797	-
4/1/00		73,425.00		(73,425.00) *	-	0.930138979	-
10/1/00	92,155.00		61,316.25		30,838.75	0.90557165	27,926.70
4/1/01	212,155.00		231,316.25		(19,161.25)	0.881653207	(16,893.58)
10/1/01	87,985.00		56,641.25		31,343.75	0.85836651	26,904.43
4/1/02	217,985.00		216,641.25		1,343.75	0.835694874	1,122.96
10/1/02	83,435.00		53,361.25		30,073.75	0.813622054	24,468.67
4/1/03	223,435.00		223,361.25		73.75	0.792132232	58.42
10/1/03	78,255.00		49,833.75		28,421.25	0.771210011	21,918.75
4/1/04	228,255.00		224,833.75		3,421.25	0.750840399	2,568.81
10/1/04	72,705.00		46,115.00		26,590.00	0.731008801	19,437.52
4/1/05	232,705.00		231,115.00		1,590.00	0.711701005	1,131.60
10/1/05	66,785.00		42,091.25		24,693.75	0.692903177	17,110.38
4/1/06	241,785.00		237,091.25		4,693.75	0.674601847	3,166.41
10/1/06	60,310.00		37,752.50		22,557.50	0.656783901	14,815.40
4/1/07	245,310.00		237,752.50		7,557.50	0.639436573	4,832.54
10/1/07	53,465.00		33,252.50		20,212.50	0.622547432	12,583.24
4/1/08	253,465.00		243,252.50		10,212.50	0.606104376	6,189.84
10/1/08	46,065.00		28,317.50		17,747.50	0.590095622	10,472.72
4/1/09	261,065.00		248,317.50		12,747.50	0.574509701	7,323.56
10/1/09	38,110.00		23,147.50		14,962.50	0.559335443	8,369.06
4/1/10	268,110.00		253,147.50		14,962.50	0.544561975	8,148.01
10/1/10	29,600.00		17,742.50		11,857.50	0.530178713	6,286.59
4/1/11	279,600.00		257,742.50		21,857.50	0.516175349	11,282.30
10/1/11	20,350.00		12,102.50		8,247.50	0.502541849	4,144.71
4/1/12	285,350.00		262,102.50		23,247.50	0.489268444	11,374.27
10/1/12	10,545.00		6,227.50		4,317.50	0.476345624	2,056.62
4/1/13	295,545.00		271,227.50		24,317.50	0.463764128	11,277.58
	$ 3,984,530.00	**$ 208,037.50**	**$ 3,605,802.50**	**$ (208,037.50)**	**$ 378,727.50**		**$ 248,077.51**

* Debt service on the Series A and B refunding bonds from the date of delivery to April 1, 2000 paid from cash available in the escrow.

SCH

City of St. Albans, West Virginia
Combined Waterworks and Sewerage System Refunding Revenue Bonds
Series 1998A, 1998B and 2000A

Calculation of escrow sufficiency

	par	rate	price	cost	accrued int.	total cost	interest receipts	escrow requirements	cumulative balance
11/24/98									1,103.74
3/31/99 T-Note	55,000	6.250%	1.0063281	55,348.05	519.40	55,867.45	1,718.75		57,822.49
3/31/99 T-Note	1,000	6.250%	1.0063825	1,006.38	9.44	1,015.82	67,911.88		126,734.37
4/1/99								(61,187.50)	65,546.87
9/30/99 T-Note	69,000	7.125%	1.0202343	70,396.17	742.84	71,139.01	67,880.63		202,427.50
10/1/99								(73,425.00)	129,002.50
3/31/00 T-Note	2,379,000	5.500%	1.0128125	2,409,480.94	19,770.53	2,429,251.47	65,422.50		2,573,425.00
4/1/00								(2,573,425.00)	-
	$ 2,504,000			**$ 2,536,231.54**	**$ 21,042.21**	**$2,557,273.75**	**$ 202,933.76**	**$ (2,708,037.50)**	

SCH

CITY OF ST. ALBANS

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM) AND SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

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CITY OF ST. ALBANS

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $16,290,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); 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 LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF ST. ALBANS:

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 20, Chapter 22C, Article 2 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates, through the St. Albans Municipal Utility Commission (the "Board"), a public combined waterworks and sewerage system. 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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of upgrading the wastewater treatment facility from 2.2 million gallons per day (MGD) to 4 MGD, modifications to three pump stations, construction of four new pump stations, construction of new, and replacement of existing collection lines within the corporate boundaries of the Issuer, and construction of new collection lines to serve approximately 171 customers outside the corporate boundaries of the Issuer, together with all appurtenant facilities (collectively, the "Project")(the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk 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"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program") and the Authority's loan program, pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in the total aggregate principal amount of not more than $16,690,000 in two series, being the Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), in the aggregate principal amount of not more than $16,290,000 (the "Series 2000 B Bonds"), and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), in the aggregate principal amount of not more than $400,000 (the "Series 2000 C Bonds"), to permanently finance the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 2000 B Bonds and Series 2000 C Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2000 B Bonds Reserve Account and the Series 2000 C Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and

revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "SRF Loan Agreement") by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), and its Series 2000 C Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "WDA Loan Agreement") to be entered into between the Issuer and the Authority, both loan agreements in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 B Bonds and the Series 2000 C Bonds as to liens, pledge and source of and security for payment, being the Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990, dated March 1, 1990, issued in the original aggregate principal amount of $3,100,000 (the "Series 1990 Bonds"). Prior to the issuance of the Series 2000 B Bonds and the Series 2000 C Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the parity test of the Series 1990 Bonds is met.

There are also outstanding the Issuer's Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 A, dated November 1, 1998, issued in the original aggregate principal amount of $2,500,000 (the "Series 1998 A Bonds"), and the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 B, dated November 1, 1998, issued in the original aggregate principal amount of $170,000 (the "Series 1998 B Bonds"). Prior to April 1, 2000, the Series 1998 A Bonds and the Series 1998 B Bonds are payable from an escrow fund (the "Escrow Fund") and are not secured by a pledge of the revenues to be derived from the operation of the System.

On April 1, 2000, moneys in the Escrow Fund will be used for the simultaneous special mandatory redemption of the Series 1998 A Bonds and the purchase of the Issuer's Tax-Exempt Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, anticipated to be issued on April 1, 2000, in the original aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"), and the proceeds of the Series 2000 A Bonds will be used to currently refund the Series 1990 Bonds and defease the lien of the 1990 Ordinance on such date.

If the Series 2000 A Bonds are issued, then on and after April 1, 2000, the Series 1998 B Bonds, the Series 2000 A Bonds, the Series 2000 B Bonds and the Series 2000 C Bonds will be on a parity with each other.

If the Series 2000 A Bonds are not issued, the Series 1998 A Bonds shall be subject to mandatory tender on April 1, 2000, and the Series 1990 Bonds will not be refunded. In such event, on and after April 1, 2000, the Series 1990 Bonds, the Series 1998 B Bonds, the Series 2000 B Bonds and the Series 2000 C Bonds will be on a parity with each other.

On the date of issuance of the Series 2000 B Bonds and the Series 2000 C Bonds, the Issuer shall use a portion of the proceeds to pay its Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 1997, in the outstanding principal amount of $1,000,000 (the "Prior Obligation"), heretofore issued to temporarily finance a portion of costs of design, acquisition and construction of the Project.

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 Series 1998 B Bonds, the anticipated Series 2000 A Bonds upon their issuance, the Series 2000 B Bonds and the Series 2000 C 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 SRF Loan Agreement, the WDA Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 20, Chapter 22C, Article 2 and Chapter 22C, Article 1 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 2000 B Bonds and the Series 2000 C 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.

"Board" means the Municipal Utility Commission of the Issuer.

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

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

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

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

"Bonds" means, collectively, the Series 2000 B Bonds, the Series 2000 C Bonds, the Prior Bonds, the anticipated Series 2000 A 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.

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2000 B Bonds and the Series 2000 C Bonds for the proceeds representing the purchase price of the Series 2000 B Bonds and the Series 2000 C Bonds or at least a de minimis portion thereof 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.

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

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

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

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

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

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

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"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" include any gains from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreements" means, collectively, the SRF Loan Agreement and the WDA Loan Agreement, as hereinafter defined.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2000 B Bonds and the Series 2000 C Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2000 B Bonds Reserve Account and the Series 2000 C Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds and is not acquired in order to carry out the governmental purpose of the Series 2000 B Bonds and the Series 2000 C Bonds.

"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, the SRF Administrative Fee, 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.

"1990 Ordinance" means, collectively, the ordinance of the Issuer enacted on February 20, 1990, as supplemented by the supplemental resolution of the Issuer adopted March 14, 1990, authorizing the Series 1990 Bonds.

"1998 Ordinance" means, collectively, the ordinance of the Issuer enacted on September 8, 1998, as supplemented by the supplemental resolution of the Issuer adopted November 16, 1998, authorizing the Series 1998 A Bonds, the Series 1998 B Bonds and the Series 2000 A Bonds.

"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 moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

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

"Prior Bonds" means the Issuer's Series 1990 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds.

"Prior Obligation" means the Combined Waterworks and Sewerage System Bond Anticipations Notes, Series 1997, dated September 25, 1997, of the Issuer, in the original principal amount of $1,000,000.

"Prior Ordinances" means the ordinance of the Issuer enacted on February 20, 1990, as supplemented by the supplemental resolutions of the Issuer adopted March 14, 1990, authorizing the Series 1990 Bonds, and the ordinance of the Issuer enacted on September 8, 1998, as supplemented by the supplemental resolution of the Issuer adopted November 16,

1998, authorizing the Series 1998 A Bonds, the Series 1998 B Bonds and the Series 2000 A Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"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 Investment Management Board pursuant to Chapter 12, Article 6 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.

"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 Ordinances and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds, the anticipated Series 2000 A Bonds, the Series 2000 B Bonds and the Series 2000 C Bonds.

"Reserve Account 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 Ordinances and continued hereby.

"Series 1990 Bonds" means the Waterworks and Sewerage System Refunding Revenue Bonds, Series 1990, dated March 1, 1990, of the Issuer, issued in the original aggregate principal amount of $3,100,000.

"Series 1997 Notes" means the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 1997, dated September 25, 1997, of the Issuer, issued in the original aggregate principal amount of $1,000,000.

"Series 1998 A Bonds" means the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 A, dated November 1, 1998, of the Issuer, issued in the original aggregate principal amount of $2,500,000.

"Series 1998 A Bonds Sinking Fund" means the Series 1998 A Bonds Sinking Fund established by the 1998 Ordinance and continued hereby.

"Series 1998 B Bonds" means the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1998 B, dated November 1, 1998, of the Issuer, issued in the original aggregate principal amount of $170,000.

"Series 1998 B Bonds Sinking Fund" means the Series 1998 B Bonds Sinking Fund established by the 1998 Ordinance and continued hereby.

"Series 2000 A Bonds" means the Tax-Exempt Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, of the Issuer, anticipated to be issued on April 1, 2000, in the original aggregate principal amount of $2,500,000.

"Series 2000 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2000 B Bonds Construction Trust Fund" means the Series 2000 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 B Bonds Reserve Account" means the Series 2000 B Bonds Reserve Account established in the Series 2000 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000 B Bonds Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 B Bonds in the then current or any succeeding year.

"Series 2000 B Bonds Sinking Fund" means the Series 2000 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2000 C Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 2000 C Bonds Construction Trust Fund" means the Series 2000 C Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 C Bonds Reserve Account" means the Series 2000 C Bonds Reserve Account established in the Series 2000 C Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000 C Bonds Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 C Bonds in the then current or any succeeding year.

"Series 2000 C Bonds Sinking Fund" means the Series 2000 C Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds, the anticipated Series 2000 A Bonds, the Series 2000 B Bonds and the Series 2000 C Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the SRF Loan Agreement.

"SRF Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and among the Authority, the DEP and the Issuer providing for the purchase of the Series 2000 B Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2000 B Bonds and Series 2000 C Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2000 B Bonds and the Series 2000 C 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 Ordinances 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 Renewal and Replacement Fund and the Reserve Accounts.

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

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

"WDA Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Authority and the Issuer, providing for the purchase of the Series 2000 C Bonds from the Issuer by the Authority, the form of which shall be

approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $16,690,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP and the Authority.

The cost of the Project is estimated not to exceed $16,690,000, of which approximately $16,290,000 will be obtained from proceeds of the Series 2000 B Bonds and approximately $400,000 will be obtained from the proceeds of the Series 2000 C Bonds.

Section 2.02. Authorization of Payment of Prior Obligation. There is hereby authorized and ordered the payment in full of the Prior Obligation from a portion of the proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2000 B Bonds and the Series 2000 C Bonds, funding reserve accounts for the Series 2000 B Bonds and the Series 2000 C Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds of the Issuer. The Series 2000 B Bonds and the Series 2000 C Bonds shall be issued in two series, each as a single bond, designated respectively as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program)", in the principal amount of not more than $16,290,000, and "Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority)", in the principal amount of not more than $400,000, and both shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2000 B Bonds and the Series 2000 C Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the SRF Loan Agreement and the WDA Loan Agreement. The Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 2000 B Bonds and the Series 2000 C Bonds, and shall mature in principal installments, all as provided in the

Supplemental Resolution. The Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2000 B Bonds and the Series 2000 C Bonds shall cease to be such officer of the Issuer before the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bond or Series 2000 C Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2000 B Bond or Series 2000 C Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and Series 2000 C 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 2000 B Bonds or Series 2000 C Bonds are exercised, all Series 2000 B Bonds and Series 2000 C Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2000 B Bonds or Series 2000 C Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2000 B Bonds or Series 2000 C Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2000 B Bonds or Series 2000 C Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2000 B Bonds or Series 2000 C 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 2000 B Bond or Series 2000 C Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2000 B Bonds and the Series 2000 C Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2000 B Bonds or the Series 2000 C Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 B Bonds or the Series 2000 C Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2000 B Bonds and the Series 2000 C Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1990 Bonds. If the Series 2000 A Bonds are issued on April 1, 2000, the payment of the debt service on the Series 2000 B Bonds and the Series 2000 C Bonds shall continue to be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 2000 A Bonds and the Series 1998 B Bonds. If the Series 2000 A Bonds are not issued on April 1, 2000, the payment of the debt service on the Series 2000 B Bonds and the Series 2000 C Bonds shall continue to be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1990 Bonds and the Series 1998 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2000 B Bonds and the Series 2000 C Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds to the original purchasers;

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

D. An executed copy of the SRF Loan Agreement;

E. An executed copy of the WDA Loan Agreement; and

F. The unqualified approving opinion of bond counsel on the Series 2000 B Bonds and the Series 2000 C Bonds.

Section 3.10. Form of Bonds. The text of the Series 2000 B Bonds and the Series 2000 C Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2000 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS,
SERIES 2000 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-____ $_____

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

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 One Valley Bank, National Association, 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 Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the SRF Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2000.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); (iii) to pay in full the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 1997, dated September 25, 1997, in the original aggregate principal amount of $1,000,000, heretofore issued to pay a portion of the costs of design, acquisition and construction of the Project; and (iv) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, and a Supplemental Resolution duly adopted by the Issuer on _____, (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.

PRIOR TO THE ISSUANCE OF THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A, ON APRIL 1, 2000, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"), 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 WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1990, DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,100,000 (THE "SERIES 1990 BONDS"), AND THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2000 C BONDS").

IF THE SERIES 2000 A BONDS ARE ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL

RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $170,000 (THE "SERIES 1998 B BONDS"), THE SERIES 2000 A BONDS AND THE SERIES 2000 C BONDS.

IF THE SERIES 2000 A BONDS ARE NOT ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SERIES 1990 BONDS, SERIES 1998 B BONDS AND SERIES 2000 C BONDS.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 Bonds until the issuance of the Series 2000 A Bonds on April 1, 2000, at which time, if the Series 2000 A Bonds are issued on such date, then this Bond shall be on a parity with the Holders of the Series 1998 B Bonds, the Series 2000 A Bonds and the Series 2000 C Bonds, but if the Series 2000 A Bonds are not issued on such date, then this Bond shall be on a parity with the Holders of the Series 1990 Bonds, the Series 1998 B Bonds and the Series 2000 C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 125% 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, so long as the Series 1990 Bonds are outstanding, and thereafter, if the Series 2000 A Bonds are issued, 120% of such amount so long as the Series 2000 A Bonds are outstanding, and thereafter, 115%; provided however, that, so long as there exists in the Series 2000 B 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 prior to or on a parity with the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2000.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

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 $

(Form of)

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2000 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS,
SERIES 2000 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. CR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation and political subdivision of the State of West Virginia in Kanawha 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 ($_____), in annual installments on October 1 of each year, beginning October 1, 20___, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, beginning _____ 1, ____, as set forth on Exhibit A attached hereto. 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 One Valley Bank, National Association, 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the WDA Loan Agreement between the Issuer and the Authority, dated _____, 2000.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, and a Supplemental Resolution duly adopted by the Issuer on _____, (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.

PRIOR TO THE ISSUANCE OF THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A, ON APRIL 1, 2000, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"), 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 WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1990, DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,100,000 (THE "SERIES 1990 BONDS"), AND THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED _____, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2000 B BONDS").

IF THE SERIES 2000 A BONDS ARE ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $170,000 (THE "SERIES 1998 B BONDS"), THE SERIES 2000 A BONDS AND THE SERIES 2000 B BONDS.

IF THE SERIES 2000 A BONDS ARE NOT ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN

ALL RESPECTS, WITH THE ISSUER'S SERIES 1990 BONDS, SERIES 1998 B BONDS AND SERIES 2000 B BONDS.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 Bonds until the issuance of the Series 2000 A Bonds on April 1, 2000, at which time, if the Series 2000 A Bonds are issued on such date, then this Bond shall be on a parity with the Holders of the Series 1998 B Bonds, the Series 2000 A Bonds and the Series 2000 B Bonds, but if the Series 2000 A Bonds are not issued on such date, then this Bond shall be on a parity with the Holders of the Series 1990 Bonds, the Series 1998 B Bonds and the Series 2000 B Bonds; and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 C Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 C 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 125% 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, so long as the Series 1990 Bonds are outstanding, and thereafter, if the Series 2000 A Bonds are issued, 120% of such amount so long as the Series 2000 A Bonds are outstanding, and thereafter, 115%; provided however, that, so long as there exists in the Series 2000 C 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 prior to or on a parity with the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2000.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 C 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: _____, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreements. The Series 2000 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the SRF Loan Agreement. The Series 2000 C Bonds shall be sold to the Authority pursuant to the terms and conditions of the WDA Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute both Loan Agreements in the form attached hereto as "EXHIBIT A" and made a part hereof, and the City Clerk 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.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to each Loan Agreement, 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 Ordinances) 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 Ordinances);

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

(3) Series 2000 B Bonds Construction Trust Fund;

(4) Series 2000 C Bonds Construction Trust Fund; and

(5) Rebate Fund.

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

(1) Series 1990 Bonds Sinking Fund (established by the 1990 Ordinance);

(2) Within the Series 1990 Bonds Sinking Fund, the Series 1990 Bonds Reserve Account (established by the 1990 Ordinance);

(3) Series 1998 A Bonds Sinking Fund (established by the 1998 Ordinance);

(4) Series 1998 B Bonds Sinking Fund (established by the 1998 Ordinance);

(5) Series 2000 A Bonds Sinking Fund (established by the 1998 Ordinance);

(6) Within the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account and the Series 2000 A Bonds Redemption Account (established by the 1998 Ordinance);

(7) Series 2000 B Bonds Sinking Fund;

(8) Within the Series 2000 B Bonds Sinking Fund, the Series 2000 B Bonds Reserve Account;

(9) Series 2000 C Bonds Sinking Fund; and

(10) Within the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1990 Bonds Sinking Fund, the amount required by the 1990 Ordinance to pay the interest on the Series 1990 Bonds; (ii) for deposit in the Series 1998 B Bonds Sinking Fund, the amount required by the 1998 Ordinance to pay the interest on the Series 1998 B Bonds; (iii) if the Series 2000 A Bonds are issued, for deposit in the Series 2000 A Bonds Sinking Fund, the amount required by the 1998 Ordinance to pay the interest on the Series 2000 A Bonds; (iv) commencing 3 months prior to the first date of payment of interest on the Series 2000 B Bonds for which interest has not been capitalized or as required in the SRF Loan Agreement, for deposit in the Series 2000 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2000 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly

interest payment date, the required amount of interest coming due on such date; and (v) commencing 7 months prior to the first date of payment of interest on the Series 2000 C Bonds for which interest has not been capitalized or as required in the WDA Loan Agreement, for deposit in the Series 2000 C Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2000 C Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 C Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1990 Bonds Sinking Fund, the amount required by the 1990 Ordinance to pay the principal of the Series 1990 Bonds; (ii) for deposit in the Series 1998 B Bonds Sinking Fund, the amount required by the 1998 Ordinance to pay the principal on the Series 1998 B Bonds; (iii) if the Series 2000 A Bonds are issued, for deposit in the Series 2000 A Bonds Sinking Fund, the amount required by the 1998 Ordinance to pay principal of the Series 2000 A Bonds; (iv) commencing 3 months prior to the first date of payment of principal of the Series 2000 B Bonds, for deposit in the Series 2000 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (v) commencing 13 months prior to the first date of payment of principal of the Series 2000 C Bonds, for deposit in the Series 2000 C Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 2000 C Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 C Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit

in the Series 1990 Bonds Reserve Account, the amount required by the 1990 Ordinance to be deposited therein; (ii) if the Series 2000 A Bonds are issued, for deposit in the Series 2000 A Bonds Reserve Account, the amount required by the 1998 Ordinance to be deposited therein; (iii) commencing 3 months prior to the first date of payment of principal of the Series 2000 B Bonds, if not fully funded upon issuance of the Series 2000 B Bonds, for deposit in the Series 2000 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 B Bonds Reserve Account Requirement; provided that, no further payments shall be made into the Series 2000 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000 B Bonds Reserve Account Requirement; and (iv) commencing 13 months prior to the first date of payment of principal of the Series 2000 C Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2000 C Bonds, for deposit in the Series 2000 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 C 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 2000 C Bonds Reserve Requirement.

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

Moneys in the Series 2000 B Bonds Sinking Fund and Series 2000 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2000 B Bonds and the Series 2000 C Bonds, respectively, as the same shall become due. Moneys in the Series 2000 B Bonds Reserve Account and the Series 2000 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, on the Series 2000 B Bonds and the Series 2000 C Bonds, respectively, as the same shall come

due, when other moneys in the Series 2000 B Bonds Sinking Fund and the Series 2000 C Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2000 B Bonds Sinking Fund, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund and the Series 2000 C 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 respective Bond Construction Trust Funds, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2000 B Bonds and the Series 2000 C Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

The Issuer shall restore any withdrawals from the Series 2000 B Bonds Reserve Account and the Series 2000 C Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2000 B Bonds Reserve Account Requirement and the Series 2000 C Bonds Reserve Account Requirement, respectively, from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2000 B Bonds and the Series 2000 C Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 2000 B Bonds Sinking Fund, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund or the Series 2000 C Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2000 B Bonds and the Series 2000 C Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, 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 Series 1990 Bonds, the Series 1998 B Bonds, the Series 2000 A Bonds, if issued, the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds Sinking Fund, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund and the Series 2000 C Bonds Reserve Account created

hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2000 B Bonds Sinking Fund, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund and the Series 2000 C Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2000 B Bonds Sinking Fund, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund and the Series 2000 C Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 B Bonds and the Series 2000 C Bonds, respectively, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2000 B Bonds and the Series 2000 C Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in Schedule Y attached to the SRF Loan Agreement for the Series 2000 B Bonds.

C. 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.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the respective Loan Agreements 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 Section, 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 moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by 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 hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

Section 5.04. Reserve Account Letter of Credit or Surety Bond. With the advance written consent of the Authority and the DEP, the Issuer may, in lieu of funding the respective Reserve Accounts for the Series 2000 B Bonds and Series 2000 C Bonds with cash or Qualified Investments, satisfy the respective Reserve Requirements by the deposit into the respective Reserve Accounts of a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Authority and the DEP in an amount at least equal to the respective Reserve Requirement. The Issuer hereby authorizes the purchase of a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Authority and the DEP and the execution and delivery of any applicable reimbursement agreement or note in such forms as shall be described in a Supplemental Resolution.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 2000 B Bonds and the Series 2000 C Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 B Bonds, there shall first be deposited with the Commission in the Series 2000 B 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 2000 B Bonds for the period commencing on the date of issuance of the Series 2000 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. From the proceeds of the Series 2000 C Bonds, there shall first be deposited with the Commission in the Series 2000 C 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 2000 C Bonds for the period commencing on the date of issuance of the Series 2000 C Bonds and ending 6 months after the estimated date of completion of construction of the Project.

C. Next, from the proceeds of the Series 2000 B Bonds, there shall be deposited with the Commission in the Series 2000 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2000 B Bonds Reserve Account.

D. Next, from the proceeds of the Series 2000 C Bonds, there shall be deposited with the Commission in the Series 2000 C Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2000 C Bonds Reserve Account.

E. Next, from the proceeds of the Series 2000 B Bonds, there shall be paid in full the Prior Obligation of the Issuer.

F. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 B 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 2000 B Bonds.

G. The remaining moneys derived from the sale of the Series 2000 C Bonds, shall be deposited with the Depository Bank in the Series 2000 C 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 2000 C Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

A. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2000 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000 B Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the SRF Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

B. Payments for Costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Series 2000 C Bonds Construction Trust Fund (except for the costs of issuance of the Series 2000 C Bonds which shall be made upon request of the Issuer) shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2000 C Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2000 C Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 2000 C Bonds Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the respective Bond Construction Trust Funds, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs of the Project have been paid, any remaining proceeds of the Series 2000 B Bonds shall be expended as approved by the DEP and any remaining proceeds of the Series 2000 C Bonds shall be expended as approved by the Authority.

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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2000 B and the Series 2000 C Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2000 B Bonds and the Series 2000 C Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 B Bonds and the Series 2000 C Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2000 B Bonds and the Series 2000 C Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1990 Bonds. If the Series 2000 A Bonds are issued on April 1, 2000, the payment of the debt service on the Series 2000 B Bonds and the Series 2000 C Bonds shall continue to be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 2000 A Bonds and the Series 1998 B Bonds. If the Series 2000 A Bonds are not issued on April 1, 2000, the payment of the debt service on the Series 2000 B Bonds and the Series 2000 C Bonds shall continue to be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1990 Bonds and the Series 1998 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The 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 July 6, 1999, and the sewer rate ordinance of the Issuer enacted July 6, 1999, as modified by Final Order of the Public Service Commission of West Virginia entered on December 6, 1999, which rates are incorporated herein by reference as a part hereof.

In the event the schedule of rate and charges initially established for the System in connection with the Series 2000 B Bonds and the Series 2000 C Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreements, 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 so as to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreements.

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

So long as the Series 2000 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2000 B Bonds Sinking Fund and the Series 2000 C Bonds Sinking Fund, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2000 B Bonds and the Series 2000 C Bonds. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board 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 Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board 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 Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the 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 Ordinances 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 2000 B Bonds and the Series 2000 C Bonds. All obligations issued by the Issuer after the issuance of the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2000 B Bonds and the Series 2000 C 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 DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project, or any other obligations related to the Project or the System.

Section 7.07. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2000 B Bonds and the Series 2000 C Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

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

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk 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 expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds shall, so long as any of the Series 1990 Bonds are outstanding, not be less than 125%, and thereafter, so long as any of the Series 2000 A Bonds are outstanding, not be less than 120%, and thereafter, 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 Ordinances 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

additional customers to be connected to the System as a result of additions, extensions and improvements thereto, or from 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 Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

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

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

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

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

The Board shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation 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 Board 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 Board. The Board 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 Board shall be reported to such agent of the Issuer as the Board shall direct.

The Board shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 2000 B Bonds and the Series 2000 C Bonds, and shall mail in each year to any Holder or Holders of the Series 2000 B Bonds and the Series 2000 C 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 payable from the revenues of the System outstanding.

The Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Accountants, or a summary thereof, to any Holder or Holders of the Series 2000 B Bonds and the Series 2000 C Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 2000 B Bonds and the Series 2000 C Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreements and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Board shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the SRF Loan Agreement or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2000 B Bonds and the Series 2000 C 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 City Clerk 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 125% of the maximum amount required in any year for payment of principal of and interest on the Series 2000 B Bonds and the Series 2000 C Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 B Bonds and the Series 2000 C Bonds, so long as the Series 1990 Bonds are Outstanding, thereafter 120% of such amount, so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 1990 Bonds and the Series 2000 A Bonds are no longer outstanding and an amount equal to or in excess of the Series 2000 B Bonds Reserve Account Requirement and the Series 2000 C Bonds Reserve Account Requirement is on deposit in the Series 2000 B Bonds Reserve Account and the Series 2000 C Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 B Bonds and the Series 2000 C Bonds. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

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 Issuer 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 Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased

expenditures shall be made until the Board 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 Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her 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 Board shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreements, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

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

The Board shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, the DEP and the Board 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 Board shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Board shall notify the DEP in writing of such receipt. The Board shall submit a "Performance Certificate," a form of which is attached to the SRF Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Board shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Board further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Board 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, the Board 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 Board hereby covenants and agrees that so long as the Series 2000 B Bonds and the Series 2000 C Bonds remain Outstanding, the Board 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 greater of the fair appraised value or the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board 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 Board, 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 and the Board 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 and the Board 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 Board 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 Board 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 Board 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 Board shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP. In the event the Loan Agreement so require, such insurance shall be made payable to the order of the Authority, the Issuer, the Board, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use

the sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewerage facilities portion of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

The Board will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System.

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

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2000 B Bonds and the Series 2000 C Bonds during the term thereof is, under the terms of the Series 2000 B Bonds and the Series 2000 C Bonds or any underlying arrangement, directly or indirectly, secured

by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2000 B Bonds and Series 2000 C Bonds during the term thereof is, under the terms of the Series 2000 B Bonds and the Series 2000 C Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2000 B Bonds and the Series 2000 C Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2000 B Bonds and the Series 2000 C Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 B Bonds and the Series 2000 C Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2000 B Bonds and the Series 2000 C Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2000 B Bonds and the Series 2000 C Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2000 B Bonds held in "contingency" as set forth in the Schedule A attached to the SRF Loan Agreement. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2000 B Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bond and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1990 Bonds, Series 1998 B Bonds and Series 2000 A Bonds, if issued.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Resolution, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission 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 2000 B Bonds or the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds which would cause the Series 2000 B Bonds or the Series 2000 C Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2000 B Bonds and the Series 2000 C Bonds) so that the interest on the

Series 2000 B Bonds and the Series 2000 C Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

If the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2000 B Bonds and the Series 2000 C Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2000 B Bonds and the Series 2000 C Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2000 B Bonds or the Series 2000 C Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2000 B Bonds and the Series 2000 C Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2000 B Bonds and the Series 2000 C Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2000 B Bonds or Series 2000 C Bonds; or

(2) If default occurs in the Issuer or the Board's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2000 B Bonds and the Series 2000 C Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 B Bonds or the Series 2000 C Bonds, and such default shall have continued for a period of 30 days after the Issuer or Board, 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 Board 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 Series 1990 Bonds, Series 1998 B Bonds and Series 2000 A Bonds, if issued, or the Prior Ordinances.

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 2000 B Bonds and the Series 2000 C Bonds shall be on a parity with the Series 1990 Bonds, Series 1998 B Bonds and Series 2000 A Bonds, if issued.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project

and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT AND DEFEASANCE OF BONDS

Section 10.01. Payment of Series 2000 B Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2000 B Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2000 B Bonds from gross income for federal income tax purposes.

Section 10.02. Defeasance of Series 2000 C Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all of the Series 2000 C Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 C Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2000 C Bonds from gross income for federal income tax purposes.

Series 2000 C Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 2000 C Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2000 C Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 2000 C Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 2000 C Bonds; provided, that any cash received

from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2000 B Bonds and the Series 2000 C Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C Bonds shall be made without the consent in writing of the Registered Owners of the Series 2000 B Bonds and the Series 2000 C Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 2000 B Bonds and the Series 2000 C 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 Ordinances. 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 Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Series 1990 Bonds, Series 1998 B Bonds and Series 2000 A Bonds, if issued, or any portion thereof 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 City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

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

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Charleston Gazette and the Charleston Daily Mail, two qualified newspapers of general circulation in the City of St. Albans, there being no qualified newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2000 B Bonds and the Series 2000 C Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	January 18, 2000
Passed on Second Reading:	February 7, 2000
Passed on Final Reading Following Public Hearing:	February 22, 2000

L. D. Hassel Jr.
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of THE CITY OF ST. ALBANS on the 22nd day of February, 2000.

Dated: March 15, 2000.

[SEAL]

Barbara Cunningham
City Clerk

EXHIBIT A

Loan Agreements included in bond transcript as Documents 3 and 4

01/07/99
858350/98001

CITY OF ST. ALBANS

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2000 B (West Virginia SRF Program) and
Series 2000 C (West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF ST. ALBANS; APPROVING AND RATIFYING THE LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of the City of St. Albans (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective February 22, 2000 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $16,290,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND

SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); 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 LOAN AGREEMENTS 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 Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program) and Series 2000 C (West Virginia Water Development Authority), of the Issuer (collectively, the "Bonds" and individually, the "Series 2000 B Bonds" and the "Series 2000 C Bonds"), in the respective aggregate principal amounts not to exceed $16,290,000 and $400,000, and has authorized the execution and delivery of a loan agreement relating to the Series 2000 B Bonds, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") and the loan agreement relating to the Series 2000 C Bonds, by and between the Issuer and the Authority (collectively, the "Loan Agreement"), all in accordance with Chapter 8, Article 20, Chapter 22C, Article 1 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the 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; and

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 ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ST. ALBANS:

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

A. The Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $16,281,000. The Series 2000 B Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2022, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Series 2000 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2002, and ending June 1, 2022, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2000 B Bonds. The Series 2000 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2000 B Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2000 B Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

B. The Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered CR-1, in the principal amount of $225,000. The Series 2000 C Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2020, shall bear interest at the rate of 5.8% per annum, payable semiannually on April 1 and October 1 of each year, commencing October 1, 2000. The Series 2000 C Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 2001, and ending October 1, 2020, all as set forth in the "Schedule X" attached to the Loan

Agreement and incorporated in and made a part of the Series 2000 C Bonds. The Series 2000 C Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 2000 C Bonds.

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

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

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

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

Section 6. The Issuer does hereby appoint and designate One Valley Bank, National Association, St. Albans, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2000 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 B Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2000 B Bonds proceeds in the amount of $989,696 shall be deposited in the Series 2000 B Bonds Reserve Account.

Section 9. Series 2000 C Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 C Bonds Sinking Fund, as capitalized interest.

Section 10. Series 2000 C Bonds proceeds in the amount of $19,300 shall be deposited in the Series 2000 C Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 2000 B Bonds and the Series 2000 C Bonds shall be deposited in or credited to the respective Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 12. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about March 15, 2000, 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 are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

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

Section 15. The Issuer hereby determines to invest all moneys 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 moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Sinking Funds, including the Reserve Accounts therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 17. The Series 2000 B Bonds may be issued on a non-tax exempt basis, if permitted by the DEP. In the event that the Series 2000 B Bonds are issued on a non-tax exempt basis, the Issuer hereby agrees and covenants to comply with such restrictions on the use of the proceeds of the Series 2000 B Bonds as may be required by the DEP.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 6th day of March, 2000.

L. A. Hessel Jr.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of St. Albans on the 6th day of March, 2000.

Dated: March 15, 2000.

[SEAL]

Barbara Cunningham
City Clerk

03/06/00
858350/98001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS,
SERIES 2000 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $16,281,000

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation and political subdivision of the State of West Virginia in Kanawha 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 SIXTEEN MILLION TWO HUNDRED EIGHTY ONE THOUSAND DOLLARS ($16,281,000), 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 September 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2002, as set forth on EXHIBIT B attached hereto.

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 One Valley Bank, National Association, 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 Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the SRF Loan Agreement by and among the Issuer, the Authority and the DEP, dated February 24, 2000.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); (iii) to pay in full the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 1997, dated September 25, 1997, in the original aggregate principal amount of $1,000,000, heretofore issued to pay a portion of the costs of design, acquisition and construction of the Project; and (iv) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on February 22, 2000, and a Supplemental Resolution duly adopted by the Issuer on March 6, 2000 (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.

PRIOR TO THE ISSUANCE OF THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A, ON APRIL 1, 2000, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"), 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 WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1990, DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,100,000 (THE "SERIES 1990 BONDS"), AND THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS").

IF THE SERIES 2000 A BONDS ARE ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL

AMOUNT OF $170,000 (THE "SERIES 1998 B BONDS"), THE SERIES 2000 A BONDS AND THE SERIES 2000 C BONDS.

IF THE SERIES 2000 A BONDS ARE NOT ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SERIES 1990 BONDS, SERIES 1998 B BONDS AND SERIES 2000 C BONDS.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 Bonds until the issuance of the Series 2000 A Bonds on April 1, 2000, at which time, if the Series 2000 A Bonds are issued on such date, then this Bond shall be on a parity with the Holders of the Series 1998 B Bonds, the Series 2000 A Bonds and the Series 2000 C Bonds, but if the Series 2000 A Bonds are not issued on such date, then this Bond shall be on a parity with the Holders of the Series 1990 Bonds, the Series 1998 B Bonds and the Series 2000 C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 125% 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, so long as the Series 1990 Bonds are outstanding, and thereafter, 120% of such amount so long as the Series 1998 B Bonds and the Series 2000 A Bonds are outstanding, and thereafter, 115%; provided however, that, so long as there exists in the Series 2000 B 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 prior to or on a parity with the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated March 15, 2000.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 15, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$2,285,141	03/15/00	(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

City of St. Albans (West Virginia)

Loan of $16,281,000

20 Years, 2% Interest Rate, 1% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2000	-	-	-	-
9/01/2000	-	-	-	-
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	-	-	-	-
6/01/2002	-	-	-	-
9/01/2002	166,018.00	2.000%	81,405.00	247,423.00
12/01/2002	166,848.00	2.000%	80,574.91	247,422.91
3/01/2003	167,682.00	2.000%	79,740.67	247,422.67
6/01/2003	168,521.00	2.000%	78,902.26	247,423.26
9/01/2003	169,363.00	2.000%	78,059.66	247,422.66
12/01/2003	170,210.00	2.000%	77,212.84	247,422.84
3/01/2004	171,061.00	2.000%	76,361.79	247,422.79
6/01/2004	171,916.00	2.000%	75,506.49	247,422.49
9/01/2004	172,776.00	2.000%	74,646.91	247,422.91
12/01/2004	173,640.00	2.000%	73,783.03	247,423.03
3/01/2005	174,508.00	2.000%	72,914.83	247,422.83
6/01/2005	175,381.00	2.000%	72,042.29	247,423.29
9/01/2005	176,258.00	2.000%	71,165.38	247,423.38
12/01/2005	177,139.00	2.000%	70,284.09	247,423.09
3/01/2006	178,025.00	2.000%	69,398.40	247,423.40
6/01/2006	178,915.00	2.000%	68,508.27	247,423.27
9/01/2006	179,809.00	2.000%	67,613.70	247,422.70
12/01/2006	180,708.00	2.000%	66,714.65	247,422.65
3/01/2007	181,612.00	2.000%	65,811.11	247,423.11
6/01/2007	182,520.00	2.000%	64,903.05	247,423.05
9/01/2007	183,432.00	2.000%	63,990.45	247,422.45
12/01/2007	184,350.00	2.000%	63,073.29	247,423.29
3/01/2008	185,271.00	2.000%	62,151.54	247,422.54
6/01/2008	186,198.00	2.000%	61,225.19	247,423.19
9/01/2008	187,129.00	2.000%	60,294.20	247,423.20
12/01/2008	188,064.00	2.000%	59,358.55	247,422.55
3/01/2009	189,005.00	2.000%	58,418.23	247,423.23
6/01/2009	189,950.00	2.000%	57,473.21	247,423.21
9/01/2009	190,899.00	2.000%	56,523.46	247,422.46
12/01/2009	191,854.00	2.000%	55,568.96	247,422.96
3/01/2010	192,813.00	2.000%	54,609.69	247,422.69
6/01/2010	193,777.00	2.000%	53,645.63	247,422.63
9/01/2010	194,746.00	2.000%	52,676.74	247,422.74
12/01/2010	195,720.00	2.000%	51,703.01	247,423.01
3/01/2011	196,699.00	2.000%	50,724.41	247,423.41
6/01/2011	197,682.00	2.000%	49,740.92	247,422.92
9/01/2011	198,670.00	2.000%	48,752.51	247,422.51

City of St. Albans (West Virginia)

Loan of $16,281,000

20 Years, 2% Interest Rate, 1% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2011	199,664.00	2.000%	47,759.16	247,423.16
3/01/2012	200,662.00	2.000%	46,760.84	247,422.84
6/01/2012	201,665.00	2.000%	45,757.53	247,422.53
9/01/2012	202,674.00	2.000%	44,749.20	247,423.20
12/01/2012	203,687.00	2.000%	43,735.83	247,422.83
3/01/2013	204,706.00	2.000%	42,717.40	247,423.40
6/01/2013	205,729.00	2.000%	41,693.87	247,422.87
9/01/2013	206,758.00	2.000%	40,665.22	247,423.22
12/01/2013	207,792.00	2.000%	39,631.43	247,423.43
3/01/2014	208,830.00	2.000%	38,592.47	247,422.47
6/01/2014	209,875.00	2.000%	37,548.32	247,423.32
9/01/2014	210,924.00	2.000%	36,498.95	247,422.95
12/01/2014	211,979.00	2.000%	35,444.33	247,423.33
3/01/2015	213,039.00	2.000%	34,384.43	247,423.43
6/01/2015	214,104.00	2.000%	33,319.24	247,423.24
9/01/2015	215,174.00	2.000%	32,248.72	247,422.72
12/01/2015	216,250.00	2.000%	31,172.85	247,422.85
3/01/2016	217,331.00	2.000%	30,091.60	247,422.60
6/01/2016	218,418.00	2.000%	29,004.94	247,422.94
9/01/2016	219,510.00	2.000%	27,912.85	247,422.85
12/01/2016	220,608.00	2.000%	26,815.30	247,423.30
3/01/2017	221,711.00	2.000%	25,712.26	247,423.26
6/01/2017	222,819.00	2.000%	24,603.71	247,422.71
9/01/2017	223,933.00	2.000%	23,489.61	247,422.61
12/01/2017	225,053.00	2.000%	22,369.95	247,422.95
3/01/2018	226,178.00	2.000%	21,244.68	247,422.68
6/01/2018	227,309.00	2.000%	20,113.79	247,422.79
9/01/2018	228,446.00	2.000%	18,977.25	247,423.25
12/01/2018	229,588.00	2.000%	17,835.02	247,423.02
3/01/2019	230,736.00	2.000%	16,687.08	247,423.08
6/01/2019	231,890.00	2.000%	15,533.40	247,423.40
9/01/2019	233,049.00	2.000%	14,373.95	247,422.95
12/01/2019	234,214.00	2.000%	13,208.70	247,422.70
3/01/2020	235,385.00	2.000%	12,037.63	247,422.63
6/01/2020	236,562.00	2.000%	10,860.71	247,422.71
9/01/2020	237,745.00	2.000%	9,677.90	247,422.90
12/01/2020	238,934.00	2.000%	8,489.17	247,423.17
3/01/2021	240,128.00	2.000%	7,294.50	247,422.50
6/01/2021	241,329.00	2.000%	6,093.86	247,422.86
9/01/2021	242,536.00	2.000%	4,887.22	247,423.22
12/01/2021	243,748.00	2.000%	3,674.54	247,422.54
3/01/2022	244,967.00	2.000%	2,455.80	247,422.80
6/01/2022	246,192.00	2.000%	1,230.96	247,422.96
Total	16,281,000.00	-	3,512,835.49	19,793,835.49

City of St. Albans (West Virginia)

Loan of $16,281,000

20 Years, 2% Interest Rate, 1% Administrative Fee

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Accrued Interest from 03/15/2000 to 03/15/2000	(719,982.00)
Bond Year Dollars	$211,640.87
Average Life	12.999 Years
Average Coupon	1.6598096%
Net Interest Cost (NIC)	1.6598096%
True Interest Cost (TIC)	2.0146737%
Bond Yield for Arbitrage Purposes	2.0146737%
All Inclusive Cost (AIC)	2.8211984%

IRS FORM 8038

Net Interest Cost	2.0000001%
Weighted Average Maturity	12.999 Years

Ferris, Baker Watts, Incorporated

Public Finance

File = srfstalbans.sf-2 22 00- SINGLE PURPOSE

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(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS,
SERIES 2000 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. CR-1 $225,000

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation and political subdivision of the State of West Virginia in Kanawha 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 TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS ($225,000), in annual installments on October 1 of each year, beginning October 1, 2001, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, beginning October 1, 2000, as set forth on Exhibit A attached hereto. 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 One Valley Bank, National Association, 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the WDA Loan Agreement between the Issuer and the Authority, dated March 15, 2000.

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 sewerage

portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on February 22, 2000, and a Supplemental Resolution duly adopted by the Issuer on March 6, 2000 (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.

PRIOR TO THE ISSUANCE OF THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2000 A, ON APRIL 1, 2000, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"), 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 WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1990, DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,100,000 (THE "SERIES 1990 BONDS"), AND THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS").

IF THE SERIES 2000 A BONDS ARE ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $170,000 (THE "SERIES 1998 B BONDS"), THE SERIES 2000 A BONDS AND THE SERIES 2000 B BONDS.

IF THE SERIES 2000 A BONDS ARE NOT ISSUED ON APRIL 1, 2000, THIS BOND SHALL ON AND AFTER SUCH DATE BE ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SERIES 1990 BONDS, SERIES 1998 B BONDS AND SERIES 2000 B BONDS.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 Bonds until the issuance of the Series 2000 A Bonds on April 1, 2000, at which time, if the Series 2000 A Bonds are issued on such date, then this Bond shall be on a parity with the Holders of the Series 1998 B Bonds, the Series 2000 A Bonds and the Series 2000 B Bonds, but if the Series 2000 A Bonds are not issued on such date, then this Bond shall be on a parity with the Holders of the Series 1990 Bonds, the Series 1998 B Bonds and the Series 2000 B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 C Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 C 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 125% 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, so long as the Series 1990 Bonds are outstanding, and thereafter, 120% of such amount so long as the Series 1998 B Bonds and the Series 2000 A Bonds are outstanding, and thereafter, 115%; provided however, that, so long as there exists in the Series 2000 C 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 prior to or on a parity with the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF ST. ALBANS has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated March 15, 2000.

[SEAL]

L. O. Russell Jr.
Mayor

SPECIMEN

ATTEST:

Barbara Cunningham
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 C 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: March 15, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$225.0000	03/15/00	(19)$		
(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 $ 225.000

EXHIBIT A

City of St. Albans (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $225,000
20 Years, 5.8% Interest Rate
Closing Date: March 15, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
4/01/2000	-	-	-	-
10/01/2000	-	-	7,105.00	7,105.00
4/01/2001	-	-	6,525.00	6,525.00
10/01/2001	6,249.00	5.800%	6,525.00	12,774.00
4/01/2002	-	-	6,343.78	6,343.78
10/01/2002	6,612.00	5.800%	6,343.78	12,955.78
4/01/2003	-	-	6,152.03	6,152.03
10/01/2003	6,995.00	5.800%	6,152.03	13,147.03
4/01/2004	-	-	5,949.18	5,949.18
10/01/2004	7,401.00	5.800%	5,949.18	13,350.18
4/01/2005	-	-	5,734.55	5,734.55
10/01/2005	7,830.00	5.800%	5,734.55	13,564.55
4/01/2006	-	-	5,507.48	5,507.48
10/01/2006	8,284.00	5.800%	5,507.48	13,791.48
4/01/2007	-	-	5,267.24	5,267.24
10/01/2007	8,765.00	5.800%	5,267.24	14,032.24
4/01/2008	-	-	5,013.06	5,013.06
10/01/2008	9,273.00	5.800%	5,013.06	14,286.06
4/01/2009	-	-	4,744.14	4,744.14
10/01/2009	9,811.00	5.800%	4,744.14	14,555.14
4/01/2010	-	-	4,459.62	4,459.62
10/01/2010	10,380.00	5.800%	4,459.62	14,839.62
4/01/2011	-	-	4,158.60	4,158.60
10/01/2011	10,982.00	5.800%	4,158.60	15,140.60
4/01/2012	-	-	3,840.12	3,840.12
10/01/2012	11,619.00	5.800%	3,840.12	15,459.12
4/01/2013	-	-	3,503.17	3,503.17
10/01/2013	12,293.00	5.800%	3,503.17	15,796.17
4/01/2014	-	-	3,146.67	3,146.67
10/01/2014	13,006.00	5.800%	3,146.67	16,152.67
4/01/2015	-	-	2,769.50	2,769.50
10/01/2015	13,760.00	5.800%	2,769.50	16,529.50
4/01/2016	-	-	2,370.46	2,370.46
10/01/2016	14,559.00	5.800%	2,370.46	16,929.46
4/01/2017	-	-	1,948.25	1,948.25
10/01/2017	15,403.00	5.800%	1,948.25	17,351.25
4/01/2018	-	-	1,501.56	1,501.56
10/01/2018	16,296.00	5.800%	1,501.56	17,797.56
4/01/2019	-	-	1,028.98	1,028.98
10/01/2019	17,241.00	5.800%	1,028.98	18,269.98
4/01/2020	-	-	528.99	528.99
10/01/2020	18,241.00	5.800%	528.99	18,769.99
Total	225,000.00	-	168,089.76	393,089.76

Ferris, Baker Watts, Incorporated
Public Finance

File = wdalns99.xf-St Albans- SINGLE PURPOSE
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City of St. Albans (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $225,000
20 Years, 5.8% Interest Rate
Closing Date: March 15, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2000	-	-	7,105.00	7,105.00
10/01/2001	6,249.00	5.800%	13,050.00	19,299.00
10/01/2002	6,612.00	5.800%	12,687.56	19,299.56
10/01/2003	6,995.00	5.800%	12,304.06	19,299.06
10/01/2004	7,401.00	5.800%	11,898.36	19,299.36
10/01/2005	7,830.00	5.800%	11,469.10	19,299.10
10/01/2006	8,284.00	5.800%	11,014.96	19,298.96
10/01/2007	8,765.00	5.800%	10,534.48	19,299.48
10/01/2008	9,273.00	5.800%	10,026.12	19,299.12
10/01/2009	9,811.00	5.800%	9,488.28	19,299.28
10/01/2010	10,380.00	5.800%	8,919.24	19,299.24
10/01/2011	10,982.00	5.800%	8,317.20	19,299.20
10/01/2012	11,619.00	5.800%	7,680.24	19,299.24
10/01/2013	12,293.00	5.800%	7,006.34	19,299.34
10/01/2014	13,006.00	5.800%	6,293.34	19,299.34
10/01/2015	13,760.00	5.800%	5,539.00	19,299.00
10/01/2016	14,559.00	5.800%	4,740.92	19,299.92
10/01/2017	15,403.00	5.800%	3,896.50	19,299.50
10/01/2018	16,296.00	5.800%	3,003.12	19,299.12
10/01/2019	17,241.00	5.800%	2,057.96	19,298.96
10/01/2020	18,241.00	5.800%	1,057.98	19,298.98
Total	225,000.00	-	168,089.76	393,089.76

Ferris, Baker Watts, Incorporated
Public Finance

File = wdalns99.sf-St Albans- SINGLE PURPOSE
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City of St. Albans (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $225,000
20 Years, 5.8% Interest Rate
Closing Date: March 15, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Bond Year Dollars	$2,898.10
Average Life	12.880 Years
Average Coupon	5.8000006%
Net Interest Cost (NIC)	5.8000006%
True Interest Cost (TIC)	5.7995428%
Bond Yield for Arbitrage Purposes	5.7995428%
All Inclusive Cost (AIC)	5.7995428%

IRS FORM 8038

Net Interest Cost	5.8000006%
Weighted Average Maturity	12.880 Years

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A

BOND ORDINANCE

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CITY OF ST. ALBANS

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF ST. ALBANS:

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 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates, through the St. Albans Municipal Utility Commission (the "Board"), a public combined waterworks and sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of acquisition and construction of additions, renovations and betterments required for water treatment plant maintenance, specifically including, but not limited to, electrical upgrades, painting, and repair and replacement of piping, valves and controls, and the financing of engineering, legal, accounting and other preliminary costs associated with the Issuer's planned water distribution system repair and replacement project, together with all appurtenant facilities (collectively, the "Project"), (the existing public combined waterworks sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2008 A, in the total aggregate principal amount of not more than $3,000,000 (the "Series 2008 A Bonds"), initially to be represented by a single bond, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2008 A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2008 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2008 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 2008 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

E. It is in the best interests of the Issuer that its Series 2008 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to this Bond Legislation

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Combined Waterworks and Sewerage System Refunding Bonds, Series 2000 A, dated April 1, 2000, issued in the aggregate principal amount of $2,500,000 (the "Series 2000 A Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B (West Virginia SRF Program), dated March 15, 2000, issued in the aggregate principal amount of $16,281,000 (the "Series 2000 B Bonds"); and Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the aggregate principal amount of $225,000 (the "Series 2000 C Bonds") (collectively, the "Prior Bonds").

The Series 2008 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2008 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Series 2000 B Bonds and the Series 2000 C Bonds to the issuance of the Series 2008 A Bonds on a parity with those Bonds. The Series 2000 A Bonds do not require consent. Prior to issuance of the Series 2008 A Bonds, the Issuer shall comply with the provisions of the Prior Ordinances for issuance of the Series 2008 A Bonds on a parity with the Series 2008 A 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 all covenants of the Prior Bonds and Prior Ordinances.

G. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and to make all payments into all funds, accounts and other payments provided for herein.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2008 A Bonds, or will have so complied prior to issuance of any thereof.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2008 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2008 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"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 2008 A Bonds, 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 2008 A Bonds for all or a portion of the proceeds of the Series 2008 A Bonds.

"City Clerk" means the City Clerk of the Issuer.

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

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

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

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided that, "Gross Revenues" does not

include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2008 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2008 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2008 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 2008 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, and Series 2000 C Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer, including all amendments and supplements thereto, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

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

"Purchaser" means the purchaser or purchasers of the Series 2008 A Bonds directly from the Issuer, designated as such in the Supplemental Resolution and its successors and assigns.

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

(a) Government Obligations;

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

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

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

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

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

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

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

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, 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 created by the Prior Ordinances and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2008 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2008 A Bonds.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

"Series 2000 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2000 A, dated April 1, 2000, issued in the original aggregate principal amount of $2,500,000.

"Series 2000 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 B, (west Virginia SRF Program) dated March 15, 2000, issued in the original aggregate principal amount of $16,281,000.

"Series 2000 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated March 15, 2000, issued in the original aggregate principal amount of $225,000.

"Series 2008 A Bonds" means Sewer Revenue Bonds, Series 2008 A of the Issuer, authorized by this Bond Legislation.

"Series 2008 A Bonds Construction Trust Fund" means the Series 2008 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2008 A Bonds Reserve Account" means the Series 2008 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2008 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 2008 A Bonds in the then current or any succeeding year.

"Series 2008 A Bonds Sinking Fund" means the Series 2008 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2008 A Bonds and the Prior 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 2008 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2008 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 of the Prior Ordinances to be set aside and held for the payment of or security for the Bonds or any other obligation of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $3,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2008 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.

The cost of the Project is estimated not to exceed $3,000,000, which will be obtained from proceeds of the Series 2008 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2008 A Bonds, funding a reserve account for the Series 2008 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2008 A Bonds of the Issuer. The Series 2008 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 2008 A", in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2008 A Bonds remaining after funding of the Series 2008 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2008 A Bonds, if any, shall be deposited in or credited to the Series 2008 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2008 A Bonds shall be issued in such principal amounts; shall bear interest 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. The Series 2008 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 on the Series 2008 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 Purchaser is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2008 A Bonds shall initially be issued in the form of a single bond, fully registered to the Purchaser, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2008 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2008 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 Purchaser shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2008 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 City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2008 A Bonds shall cease to be such officer of the Issuer before the Series 2008 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 2008 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 the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2008 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2008 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2008 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 2008 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 2008 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2008 A Bonds.

The registered Series 2008 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 Series 2008 A Bonds or transferring the registered Series 2008 A Bonds are exercised, all Series 2008 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2008 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 2008 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 Series 2008 A Bonds during the period

commencing on the 15th day of the month next preceding an interest payment date on the Series 2008 A Bonds or, in the case of any proposed redemption of Series 2008 A 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 2008 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2008 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2008 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2008 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2008 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2008 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2008 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Purchaser, a list of the names in which the Series 2008 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 2008 A Bonds to the Purchaser;

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

D. The unqualified approving opinion of bond counsel on the Series 2008 A Bonds.

Section 3.10. Sale of Bonds. The Series 2008 A Bonds shall be sold to the Purchaser, pursuant to this Bond Legislation.

Section 3.11. Form of Bonds. The text of the Series 2008 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:

(FORM OF SERIES 2008 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2008 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: This ____ day of December, 2008, that the City of St. Albans, a municipal corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of:

_____(Purchaser)_____

or registered assigns (the "Registered Owner"), the principal sum of_____($_____) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference together with interest only payable monthly on the outstanding principal amounts beginning _____, 2008 to and including _____, 20___ and principal and interest payments of $_____ payable monthly beginning _____, 20___ to and including _____, 20___ at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of _____% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Note shall be payable at the rate of ____% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Note is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Note are paid, notwithstanding that the entire principal amount of this Note may have been paid in full

prior to the Determination of Taxability. Any interest being past due on this Note by reason of such increase shall become immediately due and payable.

The principal of and interest on this Note are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia as Paying Agent.

This Bond may only be redeemed prior to its stated date of maturity in whole on a scheduled payment date with a prepayment penalty of 1%.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); (ii) fund the Series 2008 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), a Bond Ordinance duly enacted by the Issuer on December 1, 2008, and a Supplemental Resolution duly adopted by the Issuer on December 1, 2008 (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: (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"), (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"), AND (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2008 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net

Revenues, the monies in the Series 2008 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 120% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds so long as the Series 2000 A Bonds are outstanding, and thereafter, 115%; provided however, that so long as the Series 2000 A Bonds are no longer outstanding and so long as there exists in the Series 2008 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 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: _____, 2008.

_____
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

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 Ordinances) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

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

(3) Rebate Fund (established by the Prior Ordinances); and

(4) Series 2008 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 (or continued if previously established by the Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2000 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 2000 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 2000 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 2000 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 2000 C Bonds Sinking Fund (established by Prior Ordinance);

(6) Series 2000 C Bonds Reserve Account (established by Prior Ordinance).

(7) Series 2008 A Bonds Sinking Fund; and

(8) Series 2008 A Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to pay interest on the Prior Bonds; and (ii) commencing the first date of payment of interest on the Series 2008 A Bonds the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) commencing the first date of payment of principal of the Series 2008 A Bonds, to the Commission the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for deposit in the respective Reserve Accounts of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2008 A Bonds, if not fully funded upon issuance of the Series 2008 A Bonds, for deposit in the Series 2008 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2008 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2008 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 2008 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Ordinances 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2008 A Bonds as the same shall come due and for no other purpose.

All investment earnings on monies in the Series 2008 A Bonds Sinking Fund and the Series 2008 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 2008 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2008 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2008 A Bonds Reserve Account which result in a reduction in the balance of the Series 2008 A Bonds Reserve Account to below the Series 2008 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2008 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2008 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2008 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 for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2008 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 2008 A Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Monies in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2008 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required reserve account payments with respect to the Series 2008 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.

C. 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.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due.

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2008 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. The entire principal amount of the Series 2008 A Bonds shall be deposited in the Series 2008 A Bonds Construction Trust Fund.

B. From the proceeds of the Series 2008 A Bonds, there shall be deposited with the Commission in the Series 2008 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2008 A Bonds Reserve Account.

C. As the Issuer receives advances from the Series 2008 A Bonds Construction Fund such monies shall beapplied solely to payment of Costs of the Project as directed by the Board in the manner set forth in Section 6.02 hereof, and until expended, are hereby pledged as additional security for the Series 2008 A Bonds.

Section 6.02. Disbursements From the Series 2008 A Bonds Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2008 A Bonds Construction Trust Fund shall be made only after submission to the Purchaser of written approval from the Board.

Pending such application, monies in the Series 2008 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2008 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 2008 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 2008 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2008 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 any Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2008 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2008 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2008 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Legislation. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted March 15, 2004 and the water rate ordinance of the Issuer dated February 19, 2008, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2008 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 Bond Legislation. In the event the schedule of rates and charges initially established for the System in connection with the Series 2008 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. So long as the Series 2008 A Bonds are outstanding, the Issuer shall not sell or dispose of all, or substantially all, of the System without either defeasing, or paying in full, the Series 2008 A Bonds.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2008 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2008 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 2008 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2008 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2008 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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 Ordinances shall be applicable.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2008 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements to the System, refunding any or all outstanding Bonds to pay claims which may exist against the revenues or facilities of the System, or all such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall so long as any of the Series 2000 A Bonds are outstanding, not be less than 120%, and thereafter, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the additional customers to be connected to the System as a result of additions, extensions and improvements thereto, or from 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 Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2008 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2008 A Bonds.

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

No additional bonds, notes, certificates, contracts or any other obligations shall be issued by the City unless no Event of Default shall have occurred and be continuing with respect to the Bonds.

Section 7.08. Books; Records and Audit. The Board 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 Board 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 Board. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Issuer as the Board shall direct.

The Board 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 thereto, and the Single Audit Act, or any successor thereto), and shall mail and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2008 A Bonds.

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

Section 7.09. Rates. Prior to the issuance of the Series 2008 A Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies 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 created hereunder. Such schedule or schedules of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule 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 120% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2008 A Bonds, including the Prior Bonds so long as the Series 2000 A Bonds are outstanding, and thereafter 115% of such amount; provided that, in the event the Series 2000 A Bonds are no longer outstanding and amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2008 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2008 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2008 A Bonds.

All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04 hereof.

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 Issuer that 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.

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

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

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

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2008 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 prime contractor and all subcontractors as their respective interests may appear, 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 Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

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

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project.

Section 7.18. Compliance with Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Act.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the 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 will provide the Purchaser, 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).

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (I) not in excess of 10% of the Net Proceeds of the Series 2008 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2008 A Bonds during the term thereof is, under the terms of the Series 2008 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2008 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2008 A Bonds during the term thereof is, under the terms of the Series 2008 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2008 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2008 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2008 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2008 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2008 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it so that the interest on the Series 2008 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions the result of which would adversely affect such exclusion.

Section 7.20 Reserved.

Section 7.21. Contracts. The Issuer shall, simultaneously with the delivery of the Series

2008 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2008 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 2008 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2008 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2008 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2008 A Bonds which would cause the Series 2008 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2008 A Bonds) so that the interest on the Series 2008 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Designation of Series 2008 A Bonds as "Qualified Tax-Exempt Obligations." The Issuer hereby designates the Series 2008 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2008 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income

tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2008 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2008, all as determined in accordance with the Code

If the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Purchaser, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Purchaser in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Purchaser at the expense of the Issuer. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2008 A Bonds from gross income for federal income tax purposes.

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

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 2008 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2008 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2008 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2008 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2008 A Bonds shall be on a parity with the Prior Bonds.

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2008 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2008 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2008 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2008 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2008 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 2008 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2008 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2008 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 exclusion of interest, if any, on the Series 2008 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 Series 2008 A 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 2008 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. Except for the Prior Ordinances, 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 Ordinances, the Prior Ordinances 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 City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson, Clarksburg, West Virginia, as bond counsel to the Issuer in connection with the issuance by the Issuer of the Series 2008 A Bonds.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Charleston Gazette and the Charleston Daily Mail, two qualified newspapers of general circulation in the City of St. Albans, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2008 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.

Section 11.09. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

[Remainder of Page Intentionally Blank]

Passed on First Reading:	-	November 3, 2008
Passed on Second Reading:	-	November 17, 2008
Passed on Final Reading Following Public Hearing:	-	December 1, 2008

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of St. Albans on the 1st day of December, 2008.

Dated: December 3, 2008.

[SEAL]

Barbara L. Cunningham
City Clerk

10.30.08
858350.00007

CITY OF ST. ALBANS

Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A

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 COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A OF THE CITY OF ST. ALBANS; AND THE SALE AND DELIVERY OF SUCH BONDS TO THE BRANCH BANKING AND TRUST COMPANY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; GRANTING AUTHORITY TO MUNICIPAL UTILITY COMMISSION TO APPROVE REMAINING DRAWS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of St. Albans (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective December 1, 2008 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS PORTION OF THE SYSTEM OF THE CITY OF ST. ALBANS AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A; 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; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

2

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 Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A, of the Issuer (the "Bonds" or the "Series 2008 A Bonds"), in an aggregate principal amount not to exceed $3,000,000, all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and in the Bond Ordinance it is provided that 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, it is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A (the "Bonds") in an aggregate principal amount of not more than $3,000,000, to finance the costs of acquisition and construction of the Project and costs of issuance of the Bonds and related costs;

WHEREAS, the Bonds are proposed to be purchased by Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"); and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ST. ALBANS:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,735,000. The Series 2008 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2028, and shall bear interest at the rate of 4.370% per annum. Principal and interest payments of $17,109.56 on the Series 2008 A Bonds shall be payable monthly commencing January 1, 2009, to and including December 1, 2028. The Series 2008 A Bonds may only be prepaid prior to its stated date of maturity in whole on a scheduled payment date with a prepayment penalty of 1%.

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

Section 3. The Bonds shall be sold to Branch Banking and Trust Company, Charleston, West Virginia, and shall be registered in the name of such bank. The price of the Bonds shall be 100% of par value, there being no accrued interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 5. The Issuer does hereby appoint and designate the Branch Banking and Trust Company, Charleston, West Virginia, to serve as Registrar and Depository Bank for the Bonds under the Bond Ordinance.

Section 6. Series 2008 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2008 A Bonds Sinking Fund as capitalized interest.

Section 7. Series 2008 A Bonds proceeds in the amount of $205,315 shall be deposited in the Series 2008 A Bonds Reserve Account.

Section 8. The balance of the proceeds of the Series 2008 A Bonds shall be deposited in or credited to the Series 2008 A Bond Construction Trust Fund and advanced to the Issuer from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 9. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about December 3, 2008, to the Purchaser.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 12. 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 2008 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby appoints and designates the Municipal Utility Commission, and the Authorized Officers thereof, as its agent (i) for the review and approval of all invoices for the Project to be paid from the proceeds of the Series 2008 A Bonds; (ii) for the approval of all draws of the proceeds of the Series 2008 A Bonds; and

(iii) to act on and execute documents on behalf of the Issuer for any and all federal and state actions as they relate to the planning, design and/or construction of the Project.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 1st day of December, 2008.

CITY OF ST. ALBANS

By: _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of St. Albans on the 1st day of December, 2008.

Dated: December 3, 2008.

[SEAL]

Barbara L. Cunningham
City Clerk

11.26.08
858350.00007

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF ST. ALBANS
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2008 A

No. AR-1

$2,735,000

KNOW ALL MEN BY THESE PRESENTS: This 3rd day of December, 2008, that the City of St. Albans, a municipal corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of:

BRANCH BANKING AND TRUST COMPANY

or registered assigns (the "Registered Owner"), the principal sum of TWO MILLION SEVEN HUNDRED THIRTY-FIVE THOUSAND DOLLARS ($2,735,000) 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 together with principal and interest payments of $17,109.56 payable monthly beginning January 1, 2009 to and including December 1, 2028 at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of 4.370% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Note shall be payable at the rate of 6.58% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Note is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Note are paid, notwithstanding that the entire principal amount of this Note may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Note by reason of such increase shall become immediately due and payable.

The principal of and interest on this Note are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the

United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia as Paying Agent.

This Bond may only be redeemed prior to its stated date of maturity in whole on a scheduled payment date with a prepayment penalty of 1%.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); (ii) fund the Series 2008 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), a Bond Ordinance duly enacted by the Issuer on December 1, 2008, and a Supplemental Resolution duly adopted by the Issuer on December 1, 2008 (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: (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING BONDS, SERIES 2000 A, DATED APRIL 1, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000 (THE "SERIES 2000 A BONDS"), (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA SRF PROGRAM), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,281,000 (THE "SERIES 2000 B BONDS"), AND (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 15, 2000, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $225,000 (THE "SERIES 2000 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2008 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2008 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 120% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds so long as the Series 2000 A Bonds are outstanding, and thereafter, 115%; provided however, that so long as the Series 2000 A Bonds are no longer outstanding and so long as there exists in the Series 2008 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, 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 Branch Banking and Trust Company, (the "Registrar") (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 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: December 3, 2008.

BRANCH BANKING AND TRUST COMPANY
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $ 2,735,000	December 3, 2008	(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

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

Dated: _____, _____.

_____

In the presence of:

_____