

**CITY OF ST. ALBANS  
(WEST VIRGINIA)**

**COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BONDS, SERIES 2014 A (BANK QUALIFIED); AND  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BONDS, SERIES 2014 B (TAXABLE)**

**CONFORMED BOND ORDINANCE**

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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, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (BANK QUALIFIED) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$2,200,000 AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 B (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX AND NON-ARBITRAGE CERTIFICATE, A PRELIMINARY OFFICIAL STATEMENT; AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the City of St. Albans (the "Issuer" or the "City") presently owns and operates, through the Municipal Utility Commission of the City of St. Albans (the "Board"), a combined municipal waterworks and sewerage system and has heretofore financed the acquisition and construction of the System (hereinafter defined) 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 line replacements, water storage tank upgrades and other improvements, extensions, betterments to the existing waterworks portion of the 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;

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, the Issuer has determined that the Project 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 Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified) (the "Series 2014 A Bonds") and Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B (Taxable) (the "Series 2014 B Bonds"), (collectively, the "Series 2014 Bonds"), such Series 2014 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 Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2014 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.

**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 Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2014 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.

"Board" means the Municipal Utility Commission of the City of St. Albans created by ordinance of the Issuer, or any successor thereto.

"Bond Commission" or "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 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 any of the Prior Bonds.

"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 day after those principal payment dates in each year and ending on the principal payment date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2014 A Bonds, the Series 2014 B 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 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 Series 2014 Bonds, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2014 A BONDS and EXHIBIT B – FORM OF SERIES 2014 B BONDS, attached 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, unless the context clearly indicates otherwise, includes the Governing Body and the Board of the Issuer and any other commission, board or department established by the Issuer to operate and maintain the System.

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

"Closing Date" means the date upon which there is an exchange of the Series 2014 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.

"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 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 "Costs of the Project" 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 described in Section 1.03E.

"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.

"DTC-eligible" means, with respect to the Series 2014 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.

"Governing Body" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the City Council, as it may now or hereafter be constituted.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

"Gross Revenues" means the aggregate gross operating and non-operating revenues 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 Accountants" means the Office of the Auditor of the State of West Virginia 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, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2014 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in

the Series 2014 Bonds Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from investment of proceeds of the Series 2014 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2014 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2014 Bonds.

"Operating Expenses," unless qualified, means the accrual basis expenses, 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" 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 2014 Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding," when used with reference to 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 Bond at or prior to said date; (b) any Bond or Prior 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 respectively, 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, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Bond Commission and any other paying agent for the 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 B Bonds, the Series 2000 C Bonds, the Series 2008 A Bonds and the Series 2010 A Bonds.

"Prior Ordinances" means, collectively, the ordinances 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.

"Purchase Price," for the purpose of computation of the Yield of the Series 2014 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 2014 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 Series 2014 Bonds are privately placed, the price paid by the first buyer of the Series 2014 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 2014 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2014 Bonds.

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

"Record Date" means the day of the month which shall be so stated in the Series 2014 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"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 the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the premium, if any, required to be paid to effect such redemption.

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2014 Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Ordinances and continued by Section 4.02 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2014 Bonds and the Prior Bonds.

"Reserve Account Requirement" means, collectively, the respective amount required to be on deposit in the respective Reserve Accounts for the Series 2014 Bonds and the Prior Bonds.

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

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

"Series 2010 A Bonds" means the Issuer's 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.

"Series 2014 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2014 A Bonds Redemption Account" means the Series 2014 A Bonds Redemption Account established in the Series 2014 A Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2014 A Bonds Reserve Account" means the Series 2014 A Bonds Reserve Account established, if required, in the Series 2014 A Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2014 A Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2014 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2014 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2014 A Bonds.

"Series 2014 A Bonds Sinking Fund" means the Series 2014 A Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2014 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B (Taxable), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2014 B Bonds Redemption Account" means the Series 2014 B Bonds Redemption Account established in the Series 2014 B Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2014 B Bonds Reserve Account" means the Series 2014 B Bonds Reserve Account established in the Series 2014 B Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2014 B Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2014 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2014 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2014 B Bonds.

"Series 2014 B Bonds Sinking Fund" means the Series 2014 B Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2014 Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2014 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 to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2014 Bonds and authorizing the sale of the Series 2014 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.

"Surplus Revenues" means the Gross Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the funds and accounts established for the Prior Bonds or the Series 2014 Bonds.

"System" means the complete existing combined municipal waterworks and sewerage system of the Issuer, consisting of a water treatment and distribution system, including a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster

stations, and a sewage treatment and collection system, including a sewage treatment plant, collection and transportation lines and lift stations, now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to the waterworks and sewage systems, 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.

"Term Bonds" means Series 2014 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, through the Board, a municipal combined waterworks and sewerage system, the construction, extension and improvement of which it has financed or refinanced pursuant to the issuance of the Prior Bonds.

C. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A, in the original aggregate principal amount of not more than \$2,200,000 and Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B, in the original aggregate principal amount of not more than \$500,000, in order to finance the costs of acquisition and construction of the Project. The proceeds of the Series 2014 Bonds may also be applied to funding the Series 2014 Bonds Reserve Accounts and the payment of underwriter's discount; legal expenses; expenses for estimates of costs and revenues; 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 registrar's, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2014 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; 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 2014 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall also be permitted.

D. It is in the best interest of the Issuer that the Series 2014 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 the Supplemental Resolution of the Issuer.

E. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2014 Bonds as to liens, pledge, source of and security for payment, as follows:

(1) 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");

(2) 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");

(3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2008 A, dated December 3, 2008, issued in the original aggregate principal amount of \$2,735,000 (the "Series 2008 A Bonds"); and

(4) 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"), (collectively called the "Prior Bonds").

The Series 2014 Bonds shall be issued on a parity with one another and with the Prior Bonds, all of which shall have a first lien position with respect to pledge and source of and security for payment and in all other respects. The Issuer has met the coverage requirements for issuance of parity bonds of the Prior Bonds and the Prior Ordinances and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature.

Prior to the issuance of the Series 2014 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Registered Owners of the Series 2000 B Bonds and Series 2000 C Bonds to the issuance of the Series 2014 Bonds on a

parity with the Prior Bonds. The Series 2008 A Bonds and Series 2010 A Bonds do not require consent.

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

F. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. The Issuer intends to issue the Series 2014 Bonds and to pledge for payment thereof the Net Revenues of the System. Upon issuance of the Series 2014 Bonds, the Series 2014 Bonds will be secured by a first lien on the Net Revenues of the System, on a parity with the Prior Bonds.

G. 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 repair, maintenance and operation of the System, the payment of interest on the Series 2014 Bonds, and the Prior Bonds, and to create sinking funds, as hereinafter provided, to pay the principal on the Series 2014 Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefore, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

H. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2014 Bonds, and secure the Series 2014 Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the monies in the Series 2014 Bonds Reserve Accounts, unexpended proceeds of the Series 2014 Bonds and as further set forth herein.

I. The Series 2014 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A – FORM OF SERIES 2014 A BONDS and EXHIBIT B – FORM OF SERIES 2014 B BONDS, 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 2014 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 2014 Bonds will be timely done and duly performed.

K. The enactment of this Ordinance, and the execution and issuance of the Series 2014 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.

L. The Issuer has complied with all requirements of West Virginia law relating to the operation of the System, the issuance of the Series 2014 Bonds and the acquisition and construction of the Project, or will have so complied prior to issuance of any thereof.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2014 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 Registered Owners 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 Registered Owners of any and all of such Series 2014 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2014 Bond and any other Series 2014 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 \$2,700,000. The proceeds of the Series 2014 Bonds hereby authorized shall be applied as provided herein. The Series 2014 A Bonds are hereby authorized, to be issued in one or more series, in the aggregate principal amount of not more than \$2,200,000 and the Series 2014 B Bonds are hereby authorized, to be issued in one or more series, in the original aggregate amount of not more than \$500,000.

## **ARTICLE III**

### **THE BONDS**

Section 3.01. Form and Payment of Bonds. No Series 2014 Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2014 Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2014 Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Series 2014 Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2014 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 2014 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2014 Bonds shall be in default, Series 2014 Bonds issued in exchange for Series 2014 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2014 Bonds surrendered.

The principal of and the premium, if any, on the Series 2014 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 2014 Bonds shall be paid by check or draft made payable and mailed to the Registered Owner 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 2014 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 2014 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 Registered Owner thereof, another Series 2014 Bond in the principal amount of said Series 2014 Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2014 Bonds shall be executed in the name of the Issuer by the Mayor, by their manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the 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 2014 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 2014 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. A. No Series 2014 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 Bond, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2014 A BONDS attached hereto and incorporated herein by reference with respect to such respective Series 2014 A Bond, 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 Series 2014 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2014 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 2014 A Bonds issued hereunder.

B. No Series 2014 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 Bond, substantially in the form set forth in EXHIBIT B - FORM OF SERIES 2014 B BONDS attached hereto and incorporated herein by reference with respect to such respective Series 2014 B Bond, 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 Series 2014 B Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2014 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 2014 B Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2014 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 Registered Owner, in accepting any of said Series 2014 Bonds, shall be conclusively deemed to have agreed that such Series 2014 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 Series 2014 Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2014 Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2014 Bonds. The Series 2014 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 2014 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 2014 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 2014 Bond is exercised, Series 2014 Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2014 Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2014 Bonds, the initial exchange of Series 2014 Bonds and exchanges of such 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 2014 Bonds, the Registrar may impose a service charge. For every such transfer or exchange of such 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 2014 Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2014 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 so destroyed, stolen or lost, and upon the Registered Owner 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 Registered Owner 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 thereof.

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 as part of the Series 2014 Bonds 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 Series 2014 Bonds Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 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 Series 2014 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.

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 such Series 2014 Bonds 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 Registered Owner 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 applicable Bond Insurer, if any, the Original Purchaser, and the Registered Owner of the Series 2014 Bond or Bonds, as applicable, 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.

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 Series 2014 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.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 2014 Bonds or portions of such Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 2014 Bonds or portions of such 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 2014 Bonds or portions of such 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 unpaid principal. All 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 2014 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 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 therefore, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefore to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. A. For the purposes of paying the cost of acquisition and construction of the Project, funding the Series 2014 A Bonds Reserve Account and paying costs of issuance of the Series 2014 A Bonds and related costs, there shall be issued the Series 2014 A Bonds of the Issuer, in an aggregate principal amount of not more than \$2,200,000. The Series 2014 A Bonds shall be designated the "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified)" and shall be issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2014 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2014 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2014 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 purposes of paying the cost of acquisition and construction of the Project, funding the Series 2014 B Bonds Reserve Account and paying costs of issuance of the Series 2014 B Bonds and related costs, there shall be issued the Series 2014 B Bonds of the Issuer, in an aggregate principal amount of not more than \$500,000. The Series 2014 B Bonds shall be designated the "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B (Taxable)" and shall be issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2014 B Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2014 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2014 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.

Section 3.11. Book Entry System for Series 2014 Bonds. The Series 2014 Bonds (if purchased by the Original Purchaser) shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2014 Bonds of each maturity, and shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2014 Bonds are Outstanding and registered with DTC, DTC (or its nominee) shall be treated as the sole Registered Owner for all

purposes hereunder. Each Bond shall bear a legend substantially to the following effect "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 certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate 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."

With respect to Series 2014 Bonds registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2014 Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2014 Bonds, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to any Bond for the purpose of making payment of any purchase price of such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2014 Bonds and the purchase price of any Bond only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2014 Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2014 Bonds. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event

or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2014 Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond certificates and transfer one or more separate Bond certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2014 Bonds shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2014 Bonds shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2014 Bonds hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2014 Bonds. The Issuer shall execute and deliver the Series 2014 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2014 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 2014 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 2014 Bonds to DTC for the benefit of the Original Purchaser;
- (3) Copies of this Ordinance and the Supplemental Resolution certified by the Clerk;
- (4) The unqualified approving opinion of Bond Counsel regarding the Series 2014 Bonds; and
- (5) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 2014 Bonds. A. The definitive Series 2014 A Bonds shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2014 A BONDS 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 2014 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2014 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

B. The definitive Series 2014 B Bonds shall be in substantially the form set forth in EXHIBIT B – FORM OF SERIES 2014 B BONDS 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 2014 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2014 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. Sale of Series 2014 Bonds; Approval and Ratification of Execution of Bond Purchase Agreement with Original Purchaser. The Series 2014 Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

Section 3.15. Disposition of Proceeds of Series 2014 Bonds. Upon the issuance and delivery of the Series 2014 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued, if any, on the Series 2014 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2014 A Bonds Sinking Fund and applied to payment of interest on the Series 2014 A Bonds at the first interest payment date.

2. All interest accrued, if any, on the Series 2014 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2014 B Bonds Sinking Fund and applied to payment of interest on the Series 2014 B Bonds at the first interest payment date.

3. An amount of the proceeds of the Series 2014 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 2014 A Bonds Reserve Account, provided, that to the extent the Series 2014 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 2014 A Bonds shall be deposited in the Series 2014 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2014 A Bonds Reserve Requirement.

4. An amount of the proceeds of the Series 2014 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 2014 B Bonds Reserve Account, provided, that to the extent the Series 2014 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 2014 B Bonds shall be deposited in the Series 2014 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2014 B Bonds Reserve Requirement.

5. The amount of Series 2014 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2014 A Bonds shall be deposited with the Depository Bank in the Series 2014 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 2014 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 2014 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2014 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2014 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 2014 A Bonds from which such proceeds are derived.

6. The amount of Series 2014 B Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2014 B Bonds shall be deposited with the Depository Bank in the Series 2014 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 2014 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 2014 B Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2014 B Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2014 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 2014 B Bonds from which such proceeds are derived.

7. The balance of Series 2014 A Bonds proceeds, if any, shall be deposited in the Series 2014 Bonds Construction Fund and disbursed as provided in Section 3.16 hereof.

8. The balance of Series 2014 B Bonds proceeds, if any, shall be deposited in the Series 2014 Bonds Construction Fund and disbursed as provided in Section 3.16 hereof.

Section 3.16. Disbursements from the Series 2014 Bonds Construction Fund.  
Disbursements from the Series 2014 Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2014 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 the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2014 Bonds 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. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by the 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 and used solely for the purposes provided herein:

- (1) Revenue Fund (established by the Prior Ordinances and hereby continued);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances and hereby continued); and
- (3) Series 2014 Bonds Costs of Issuance Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds and accounts are hereby established with and shall be held by the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission or the Issuer and from each other and used solely for the purposes provided herein:

- (1) Series 2000 B Bonds Sinking Fund (established by the Prior Ordinances and hereby continued);
- (2) Series 2000 B Bonds Reserve Account (established by the Prior Ordinances and hereby continued);
- (3) Series 2000 C Bonds Sinking Fund (established by the Prior Ordinances and hereby continued);
- (4) Series 2000 C Bonds Reserve Account (established by the Prior Ordinances and hereby continued);
- (5) Series 2008 A Bonds Sinking Fund (established by the Prior Ordinances and hereby continued);
- (6) Series 2008 A Bonds Reserve Account (established by the Prior Ordinances and hereby continued);

- (7) Series 2010 A Bonds Sinking Fund (established by the Prior Ordinances and hereby continued);
- (8) Series 2010 A Bonds Reserve Account (established by the Prior Ordinances and hereby continued);
- (9) Series 2014 A Bonds Sinking Fund;
- (10) Series 2014 A Bonds Reserve Account;
- (11) Series 2014 B Bonds Sinking Fund; and
- (12) If required, Series 2014 B Bonds Reserve Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2014 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 next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; (ii) commencing 7 months prior to the first interest payment date of the Series 2014 A Bonds, for deposit in the Series 2014 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2014 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 2014 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 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 2014 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the

Series 2014 A Bonds deposited therein, and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2014 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2014 A Bonds Sinking Fund; and (iii) commencing 7 months prior to the first interest payment date of the Series 2014 B Bonds, for deposit in the Series 2014 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2014 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 2014 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 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 2014 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2014 B Bonds deposited therein, and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2014 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2014 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 Bond Commission (i) the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2014 A Bonds, for deposit in the Series 2014 A Bonds Sinking Fund and in the Series 2014 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 (or 1/6th of the amount if the Series 2014 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2014 A Bonds on the next ensuing 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 2014 A Bonds Sinking Fund and the next ensuing principal payment date or mandatory Redemption Date is more or less than 13 months (or 7 months if the Series 2014 A Bonds mature semiannually rather than annually), then such monthly payments shall be decreased or increased proportionately to provide, 1 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 2014 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2014 B Bonds, for deposit in the Series 2014 B Bonds Sinking Fund and in the Series 2014 B 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 (or 1/6th of the amount if the Series 2014 B Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2014 B Bonds on the next ensuing 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 2014 B Bonds Sinking Fund and the next ensuing principal payment date or mandatory Redemption Date is more or less than 13 months (or 7 months if the Series 2014 B Bonds mature semiannually rather than annually), then such monthly payments shall be decreased or increased proportionately to provide, 1 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 2014 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

Moneys in the Series 2014 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2014 A Bonds, whether by maturity or redemption prior to maturity. Moneys on deposit in the Series 2014 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2014 A Bonds when the funds on deposit in the Series 2014 A Bonds Sinking Fund are insufficient therefore, and for no other purpose. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2014 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2014 A Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2014 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

Moneys in the Series 2014 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2014 B Bonds, whether by maturity or redemption prior to maturity. Moneys on deposit in the Series 2014 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2014 B Bonds when the funds on deposit in the Series 2014 B Bonds Sinking Fund are insufficient therefore,

and for no other purpose. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2014 B Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2014 B Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2014 B Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2014 Bonds are issued, provision shall be made for additional deposits into the respective Sinking Funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The payments into the Series 2014 A Bonds Sinking Fund and Series 2014 B Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, 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.

(4) 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 respective Reserve Accounts of the Prior Bonds the amounts required by the Prior Ordinances; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2014 A Bonds, if not fully funded upon issuance of the Series 2014 A Bonds, for deposit in the Series 2014 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2014 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2014 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 2014 A Bonds Reserve Requirement, and thereafter the Issuer shall deposit in the Series 2014 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2014 A Bonds Reserve Account below the Series 2014 A Bonds Reserve Requirement or any withdrawal from the Series 2014 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2014 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 2014 A Bonds Reserve Account is less than the Series 2014 A Bonds Reserve Requirement, or (b) any amount is withdrawn

from the Series 2014 A Bonds Reserve Account for deposit into the Series 2014 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefore, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2014 A Bonds Reserve Account to an amount equal to the Series 2014 A Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided however, that if the shortfall in the Series 2014 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 2014 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 2014 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2014 A Bonds Reserve Requirement; and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2014 B Bonds, if not fully funded upon issuance of the Series 2014 B Bonds, for deposit in the Series 2014 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2014 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2014 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 2014 B Bonds Reserve Requirement, and thereafter the Issuer shall deposit in the Series 2014 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2014 B Bonds Reserve Account below the Series 2014 B Bonds Reserve Requirement or any withdrawal from the Series 2014 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2014 B 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 2014 B Bonds Reserve Account is less than the Series 2014 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2014 B Bonds Reserve Account for deposit into the Series 2014 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefore, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2014 B Bonds Reserve Account to an amount equal to the Series 2014 B Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided however, that if the shortfall in the Series 2014 B 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 2014 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 2014 B Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2014 B Bonds Reserve Requirement.

Amounts in the Series 2014 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2014 A Bonds when due, when amounts in the Series 2014 A Bonds Sinking Fund are insufficient therefore and for no other purpose.

Amounts in the Series 2014 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2014 B Bonds when due, when amounts in the Series 2014 B Bonds Sinking Fund are insufficient therefore 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) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds and accounts as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the 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. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the Net 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 Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2014 Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

## ARTICLE V

### **INVESTMENTS; NON-ARBITRAGE REBATES AND CONTINUING DISCLOSURE CERTIFICATE**

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 Renewal and Replacement Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account 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 a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in a Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer, if any, 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 applicable Sinking Fund and otherwise in accordance with Section 4.03(3).

(D) All amounts representing accrued 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 any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2014 A Bonds in such manner and to such extent as may be necessary, so that such Series 2014 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 such Series 2014 A Bonds) so that the interest on the Series 2014 A 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, Rebates. 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 any series of Series 2014 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2014 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 or the Board 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 in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, 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 therefore. 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 any and all penalties and other amounts, 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 2014 A Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Certificate. The Issuer shall deliver a continuing disclosure 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 Series 2014 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 2014 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 2014 Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds Not to be Indebtedness of the Issuer. The Series 2014 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 moneys in the Series 2014 A Bonds Sinking Fund, the Series 2014 B Bonds Sinking Fund, the Series 2014 A Bonds Reserve Account and the Series 2014 B Bonds Reserve Account therein and the unexpended proceeds of the Series 2014 Bonds, all as herein provided. No Holder or Holders of the Series 2014 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2014 Bonds or the interest thereon.

Section 6.03. Series 2014 Bonds Secured by Parity Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2014 Bonds issued hereunder shall be secured forthwith equally and ratably with each other 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. The payment of the debt service on the Series 2014 A Bonds shall also be secured by the moneys in the Series 2014 A Bonds Sinking Fund, including the Series 2014 A Bonds Reserve Account therein. The payment of the debt service on the Series 2014 B Bonds shall also be secured by the moneys in the Series 2014 B Bonds Sinking Fund, including the Series 2014 B Bonds Reserve Account therein. 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 2014 Bonds herein authorized, and to make the payments into the Series 2014 A Bonds Sinking Fund and Series 2014 B Bonds Sinking Fund, all moneys and securities in the Series 2014 A Bonds Sinking Fund, including the Series 2014 A Bonds Reserve Account therein, and the Series 2014 B Bonds Sinking Fund, including the Series 2014 B Bonds Reserve Account therein, 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 Prior Bonds and the Series 2014 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 Series 2014 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 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 115% of the Maximum Annual Debt Service on the Series 2014 Bonds, and all obligations issued on a parity with the Series 2014 Bonds, including the Prior Bonds. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia with all requisite appeal periods having expired (without successful appeal), whether or not such approved rates are being charged and collected by the Issuer.

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 90 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.

Section 6.05. Operation and Maintenance. 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 and the Board shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Ordinances. Additionally, so long as the Series 2014 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 fully pay all the Bonds Outstanding, or to defease the pledge created by this Ordinance and the Prior Ordinances except as provided below. 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 respective Sinking Funds, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Board 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 and the Issuer shall have and hereby reserve 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 \$500,000, the Issuer and 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 Issuer 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 \$500,000 but not in excess of \$5,000,000, the Issuer and the Board shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer and the Board 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 \$500,000 and not in excess of \$5,000,000, shall be deposited by the Board 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 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 or the Board if the proceeds to be derived therefrom shall be in excess of \$5,000,000 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 the Holders, or their duly authorized representatives, of 51% in amount of Bonds then Outstanding. The Issuer or the Board 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 Net Revenues with the Series 2014 Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional 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.

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 2014 Bonds, and the interest

thereon, upon any of the income and revenues of the System pledged for payment of the Series 2014 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 and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, 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.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition or construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of 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 a written statement by an Independent Accountant, reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months in 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 2 Fiscal Years following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Prior Bonds then Outstanding;
- (2) The Series 2014 Bonds then Outstanding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and
- (4) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia with the time for all available appeals having expired (without successful appeal) prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates are being charged and collected by the Issuer.

The term "Additional Parity Bonds," as used in this section, 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 Bonds. All the covenants and

other provisions of this 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 2014 Bonds, 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 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, or different, 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 Additional Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Net Revenues of the System is subject to the prior and superior liens of the Bonds on such Net Revenues. The Issuer shall not issue any obligations whatsoever payable from the Net 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 Net Revenues, with the Bonds.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinances on account of the Bonds then Outstanding, if any (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance and the Prior Ordinances shall have been made in full as required to the date of delivery of the Additional Parity Bonds, and the Issuer shall then be in full compliance with all covenants, agreements and terms of this Ordinance and the Prior Ordinances.

Provided, however, if the most recent audit by an Independent Certified Public Accountant for the Issuer for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in Section 6.04 of this Ordinance for the year being audited and the Issuer has, as required by Section 6.04, enacted a rate ordinance sufficient to comply with Section 6.04, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of this Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under this Section 6.08.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2014 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' 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 greater of the fair appraised value or the original cost thereof. In the

time of war the Issuer will also carry and maintain insurance to the extent available against 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 and destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

B. 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.

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

D. FLOOD INSURANCE, to 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 and employee of the Issuer or the Board 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. 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 therefore.

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 6.11. No Free Services. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, 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 Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and 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 6.12. Enforcement of Collections. The Issuer or 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 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 charges, if not paid, shall become a lien on the premises served by the System. The Issuer and the Board further covenants and agree that they 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 to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, including penalties and reconnect fees, have been fully paid, or a payment agreement in compliance with the West Virginia Public Service Commission regulations has been entered.

Section 6.13. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board 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 6.14. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds 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, 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 Issuer. 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 Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as it shall direct.

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Holder of Bonds requesting the same, an annual report within 120 days following the end of each Fiscal Year 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 shall also file with the Original Purchaser and any Bond Insurer, and mail to any Holder of Bonds 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.

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

The Issuer 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 or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.15. Operating Budget. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Board, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Issuer 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 Holder of Bonds or anyone acting for and in behalf of such Holder who requests the same.

Section 6.16. 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 2014 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 such Series 2014 A Bonds during the term thereof is, under the terms of such 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 2014 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 2014 A Bonds during the terms thereof is, under the terms of such Series 2014 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 2014 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 2014 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 2014 A Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan 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 2014 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 2014 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 2014 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 6.17. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2014 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 2014 Bonds and shall be on a parity with one another and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 6.18. Continuing Disclosures. In order to provide the written undertaking for the benefit of the owners of the Series 2014 Bonds required by the Securities and Exchange Commission Rule 15c2-12, the Issuer shall enter into a Continuing Disclosure Agreement in such form as may be approved by the Supplemental Resolution, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of such Agreement by the Mayor.

Section 6.19 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2014 Bonds shall be and the same is hereby approved. The form of the Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2014 Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.20. Designation of Series 2014 A Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2014 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2014 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 2014 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2014, all as determined in accordance with the Code.

## **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 2014 Bonds:

(A) If default by the Issuer 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 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 Registered Owner of any Bond;

(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 the Issuer defaults on the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of any Bond 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 Registered Owners, 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 Registered Owners of the Bonds; and

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Registered Owners 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 Registered Owners 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 Registered Owners 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 Registered Owner 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 Series 2014 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 Registered Owner 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 Registered Owners 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 Registered Owners of the Bonds, 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 Registered Owners. In case any Registered Owner 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 Registered Owners shall be restored to their former positions and rights hereunder, and all rights and remedies of such Registered Owners shall continue as if no such proceedings had been taken.

## ARTICLE VIII

### **REGISTRAR, PAYING AGENT AND DEPOSITORY BANK**

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2014 Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Series 2014 Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries 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 2014 Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2014 Bonds. The Fiduciaries 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 Fiduciaries May Act. Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary 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 such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Series 2014 Bonds, the first exchange of Series 2014 Bonds and the exchange of Series 2014 Bonds in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2014 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 Registered Owners or effect or aid in any reorganization growing out of the enforcement of the Series 2014 Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Series 2014 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 Registered Owner in the event all Series 2014 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.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Registered Owners of a majority in principal amount of the Series 2014 Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Registered Owners 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.

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 Registered Owners of a majority in principal amount of the Series 2014 Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners 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 Registered Owners. The Issuer shall publish in an Authorized Newspaper (or mail to each Registered Owner in the event all Series 2014 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 Registered Owners. 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 Registered Owner 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 and relating to the Series 2014 Bonds 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 2014 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 Series 2014 Bonds so authenticated, and, in case any Series 2014 Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2014 Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Paying Agent for the Series 2014 Bonds shall be the Commission or any other Paying Agent appointed by the Issuer pursuant to a Supplemental Resolution pertaining to such Series 2014 Bonds. Any alternate Paying Agent must be a bank, trust company, national banking association or other entity 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 2014 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 therefore.

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 Registered Owners 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 Registered Owners of all Series 2014 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 Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owners of the Series 2014 Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

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 Series 2014 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 Series 2014 Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2014 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 Series 2014 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.

## ARTICLE X

### MISCELLANEOUS

Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Registered Owner or other person, solely for the purpose of maintaining the tax-exempt status of the Series 2014 A Bonds, provided that, in the event any of the Series 2014 Bonds are insured, no such amendment or modification which adversely affects the security for such Series 2014 Bonds or the rights of the applicable Bond Insurer for such Series 2014 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 Registered Owners of 51% in aggregate principal amount of the Series 2014 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 Series 2014 Bond without the express written consent of the Registered Owner of such Bond, nor reduce the percentage of Series 2014 Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Registered Owners and Ownership of Series 2014 Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Registered Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Registered Owners 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 Registered Owner 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 Holder 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 2014 Bonds held by a person executing any instrument as a Registered Owner, the date of his holding such Series 2014 Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Registered Owner of any Bond shall bind all future Registered 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 Registered Owner, 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 Series 2014 Bonds. All Series 2014 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 Series 2014 Bonds shall be deemed Outstanding under this Ordinance and no Series 2014 Bonds shall be issued in lieu thereof. All such Series 2014 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 Series 2014 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 Series 2014 Bonds which remain unclaimed for 1 year after the date on which such Series 2014 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 Registered Owners of such Series 2014 Bonds shall look only to the Issuer for the payment of such Series 2014 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 Registered Owner, 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 Series 2014 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 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:

CITY:

City of St. Albans  
499 MacCorkle Avenue  
St. Albans, West Virginia 25177  
Attention: Mayor

REGISTRAR:

[Name and address to be set forth in the Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission  
900 Pennsylvania Avenue  
Suite 1117  
Charleston, West Virginia 25301

DEPOSITORY BANK:

[Name and address to be set forth in the Supplemental Resolution]

ORIGINAL PURCHASERS:

Crews & Associates, Inc.  
300 Summers Street  
Suite 930  
Charleston, West Virginia 25301

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 Series 2014 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 2014 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 Registered Owners of the Series 2014 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 Registered Owners of the Series 2014 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 Prior Ordinances shall remain in full force and effect so long as any of the Prior Bonds are Outstanding.

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. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Charleston Gazette*, a newspaper of general circulation in the City of St. Albans, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2014 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 10.15.    Effective Date.    This Ordinance shall take effect immediately upon enactment.

First Reading:                      April 15, 2013

Second Reading:                    May 6, 2013

Passed on Final Reading  
Following Public  
Hearing:                              May 20, 2013

CITY OF ST. ALBANS

  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Conformed Ordinance duly enacted by the Council of the CITY OF ST. ALBANS at a regular meeting of the Council held on May 20, 2013, as supplemented by Supplemental Resolution dated January 6, 2014.

Dated this 30th day of June, 2014.

[SEAL]

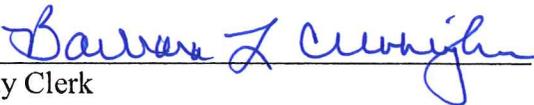
  
City Clerk

EXHIBIT A - SERIES 2014 A BOND FORM

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- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

INTEREST RATE      MATURITY DATE      BOND DATE      CUSIP NO.

REGISTERED OWNER:                      CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 \_\_\_\_\_, \_\_\_\_\_, 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 \$1,000,000 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 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 Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated \_\_\_\_\_, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, and supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on \_\_\_\_\_, 2014, (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 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 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 maturing on or after \_\_\_\_\_, \_\_\_\_\_ are subject to redemption prior to maturity at the option of the Issuer on and after \_\_\_\_\_, \_\_\_\_\_, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer 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:

<u>Period During Which Redeemed</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
_____ to _____	\$ _____
_____ to _____	\$ _____
_____ to _____	\$ _____

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on \_\_\_\_\_, are subject to annual mandatory redemption prior to maturity by random selection on \_\_\_\_\_ 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

Year ( ) _____	<u>Principal Amount</u>
----------------	-------------------------

Bonds Maturing

Year ( ) _____	<u>Principal Amount</u>
----------------	-------------------------

\_\_\_\_\_  
\* Final Maturity

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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS");
- (4). 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"); AND
- (5). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 B, DATED \_\_\_\_\_, 2014, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$\_\_\_\_\_ (THE "SERIES 2014 B BONDS"), (COLLECTIVELY CALLED THE "PRIOR BONDS").

The 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a "qualified tax-exempt obligation" by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for 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.

[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 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 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 Bonds.

Dated: \_\_\_\_\_, 2014

\_\_\_\_\_  
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: \_\_\_\_\_, 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 2014 B BOND FORM

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- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 B (TAXABLE)

INTEREST RATE      MATURITY DATE      BOND DATE      CUSIP NO.

REGISTERED OWNER:                      CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 \_\_\_\_\_, \_\_\_\_\_, 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 \$1,000,000 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 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 Revenue Bonds, Series 2014 B" (the "Series 2014 B Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated \_\_\_\_\_, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 B Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 B Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, and supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on \_\_\_\_\_, 2014, (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 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 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 maturing on or after \_\_\_\_\_, \_\_\_\_\_ are subject to redemption prior to maturity at the option of the Issuer on and after \_\_\_\_\_, \_\_\_\_\_, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer 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:

<u>Period During Which Redeemed</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
_____ to _____	\$ _____
_____ to _____	\$ _____
_____ to _____	\$ _____

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on \_\_\_\_\_, are subject to annual mandatory redemption prior to maturity by random selection on \_\_\_\_\_ 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

_____ Year ( ) _____	_____ <u>Principal Amount</u>
----------------------	-------------------------------

Bonds Maturing

_____ Year ( ) _____	_____ <u>Principal Amount</u>
----------------------	-------------------------------

\_\_\_\_\_  
\* Final Maturity

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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 B BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS");
- (4). 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"); AND
- (5). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A, DATED \_\_\_\_\_, 2014, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$\_\_\_\_\_ (THE "SERIES 2014 A BONDS"), (COLLECTIVELY CALLED THE "PRIOR BONDS").

The 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 B Bonds Sinking Fund and the Series 2014 B Bonds Reserve Account established under the Ordinance, and 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 2014 B Bonds Sinking Fund and the Series 2014 B 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for 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.

[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 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 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 Bonds.

Dated: \_\_\_\_\_, 2014

\_\_\_\_\_,  
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: \_\_\_\_\_, 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 PARAMETERS RESOLUTION

SUPPLEMENTAL PARAMETERS RESOLUTION AUTHORIZING AND APPROVING CERTAIN PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (BANK QUALIFIED) OF THE CITY OF ST. ALBANS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$2,200,000 AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 B (TAXABLE) OF THE CITY OF ST. ALBANS; AUTHORIZING AND APPROVING A CONFORMED BOND ORDINANCE, A TAX COMPLIANCE POLICY, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT; AN OFFICIAL STATEMENT, A CERTIFICATE OF DETERMINATIONS 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 May 20, 2013 (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, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (BANK QUALIFIED) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$2,200,000 AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 C (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX AND NON-ARBITRAGE CERTIFICATE, A PRELIMINARY OFFICIAL

STATEMENT; AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; 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 Conformed Bond Ordinance attached as Exhibit C when used herein;

WHEREAS, the Issuer desires to supplement the Bond Ordinance through this Supplemental Parameters Resolution and Conformed Ordinance (collectively, the Bond Legislation);

WHEREAS, the Ordinance provided for the issuance by the Issuer of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Bank Qualified), in the aggregate principal amount of not more than \$2,200,000 (the "Series 2013 B Bonds"), and Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 C (Taxable), in the aggregate principal amount of not more than \$500,000 (the "Series 2013 C Bonds"), for the purposes of paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the water portion of the System, capitalizing interest on the Series 2013 B Bonds and Series 2013 C Bonds, funding reserve accounts for the Series 2013 B Bonds and Series 2013 C 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 Issuer desires to conform the Ordinance to re-designate the Series 2013 B Bonds as the Series 2014 A Bonds, re-designate the Series 2013 C Bonds as Series 2014 B Bonds (collectively, the "Series 2014 Bonds") and delete the references to the Series 2013 A Bonds as they have not been issued yet.

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2014 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, a Preliminary Official Statement and an Official Statement be approved and that other matters pertaining to the Series 2014 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 2014 Bonds be provided for by a supplemental resolution of this Governing Body and a certificate of determinations executed by the Mayor;

WHEREAS, the Series 2014 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 (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 of the Series 2014 Bonds and all provisions of all documents relating to the Series 2014 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 Parameters 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 Preliminary Official Statement and Official Statement relating to the Series 2014 Bonds, hereinafter described, be approved, that the Issuer's Mayor be authorized to execute the Certificate of Determinations and enter into the Bond Purchase Agreement, all within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2014 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. A. The Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Bank Qualified), are hereby re-designated as Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified), (the "Series 2014 A Bonds").

B. The Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 C (Taxable), are hereby re-designated as Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B (Taxable), (the "Series 2014 B Bonds").

Section 2. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit C.

Section 3. Pursuant to the Ordinance and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2014 A Bonds and Series 2014 B Bonds.

A. The Series 2014 A Bonds shall be issued in the aggregate principal amount not to exceed \$2,200,000, bear interest at a true interest rate not to exceed 6.0% payable semiannually, shall mature in not more than 40 years from the date of issue, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor pursuant to his execution of the Certificate of Determinations and the Series 2014 A Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2014 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 Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2014 A Bonds shall be as provided in the Ordinance.

B. The Series 2014 B Bonds shall be issued in the aggregate principal amount not to exceed \$500,000, bear interest at a true interest rate not to exceed 6.0% payable semiannually, shall mature in not more than 40 years from the date of issue, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor pursuant to his execution of the Certificate of Determinations and the Series 2014 B Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2014 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 Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2014 B Bonds shall be as provided in the Ordinance.

Section 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, 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 2014 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 2014 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. United Bank, Inc., Charleston, West Virginia is hereby appointed as dissemination agent under the Continuing Disclosure Agreement.

Section 6. The Preliminary 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 2014 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 Tax Compliance Policy attached hereto as Exhibit B is hereby approved.

Section 9. 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 2014 Bonds.

Section 10. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia for the purpose of serving in the capacity of Registrar.

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.  
500 Virginia Street East  
Charleston, West Virginia 25301  
Attention: Trust Department

PAYING AGENT

West Virginia Municipal Bond Commission  
900 Pennsylvania Avenue, Suite 1117  
Charleston, West Virginia 25302  
Attention: Executive Director

ORIGINAL PURCHASER

Crews & Associates, Inc.  
300 Summers Street  
Charleston, West Virginia 25301

Section 13. The Mayor and City 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 2014 Bonds issue to the end that the Series 2014 Bonds may be delivered as provided in 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 2014 A Bonds and Series 2014 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.

[Remainder of Page Intentionally Blank]

Section 16. This Supplemental Parameters Resolution shall be effective immediately.

Adopted this 6th day of January, 2014.

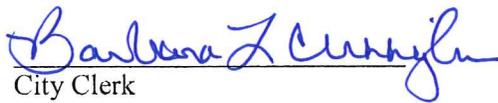
CITY OF ST. ALBANS

By:  
Its: Mayor

A handwritten signature in blue ink, appearing to read "Richard Callaway", written over a horizontal line.

[SEAL]

Attest:

A handwritten signature in blue ink, appearing to read "Barbara Z. Curry", written over a horizontal line.  
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Parameters Resolution duly adopted by the Council of the CITY OF ST. ALBANS on the 6th day of January, 2014.

Dated: June 30, 2014

[SEAL]

  
City Clerk

***EXHIBIT A***

**FORM OF CERTIFICATE OF DETERMINATIONS**

City of St. Albans  
Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified); and  
Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B (Taxable)

**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 January 6, 2014 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified) (the "Series 2014 A Bonds") and Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B (Taxable) (the "Series 2014 B Bonds"), (collectively, the "Series 2014 Bonds") hereby finds and determines this \_\_\_\_\_ day of \_\_\_\_\_, 2014 as follows:

1. The Series 2014 Bonds shall be dated the date of closing thereon (estimated to be \_\_\_\_\_, 2014) and shall bear interest on \_\_\_\_\_ and \_\_\_\_\_ of each year commencing \_\_\_\_\_, 2014.

2. The Series 2014 Bonds shall be issued in the aggregate principal amount of \$ \_\_\_\_\_, at a true interest cost of \_\_\_\_%. Such interest rates do not exceed 6.0%, being the maximum interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2014 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 2014 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2014 Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2014 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. \_\_\_\_\_, \_\_\_\_\_, West Virginia is appointed as the Depository Bank.

8. 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 2014 Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2014 Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS our signatures the day and year first written above.

CITY OF ST. ALBANS

By: \_\_\_\_\_  
Its: Mayor

Schedule 1

SERIES 2014 A BOND TERMS

<u>Bond No.</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
AR-1				
AR-2				
AR-3				

Series 2014 A Bonds Redemption Provisions:

SERIES 2014 B BOND TERMS

<u>Bond No.</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
BR-1				
BR-2				
BR-3				

Series 2014 B Bonds Redemption Provisions:

***EXHIBIT B***

**TAX COMPLIANCE POLICY**

**CITY OF ST. ALBANS (WEST VIRGINIA)**

**TAX COMPLIANCE POLICIES**

**Purpose**

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by the City of St. Albans, West Virginia (the “*Issuer*”), as the issuer, with these rules in connection with the issuance of the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified) (the “*Tax-Exempt Bonds*”). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Tax-Exempt Bonds as tax-exempt state and local bonds.

**Tax Requirements Associated with Sale and Issuance of Bonds**

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Finance Director or his designee (the “*Oversight Officer*”).

- Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15<sup>th</sup> day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

**Expenditure of Proceeds for Governmental Costs**

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.
- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by the City. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.
- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.
- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:
  - 15% within 6 months
  - 60% within 12 months
  - 100% within 18 months
- If the 2-year spending exception to rebate applies, expenditure of “available construction proceeds” will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:
  - 10% within 6 months
  - 45% within 12 months
  - 75% within 18 months
  - 100% within 24 months

### **Expenditure of Proceeds**

In addition to the general review of expenditures described above, expenditure of proceeds of the Tax-Exempt Bonds will be reviewed by the Oversight Officer.

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.
- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other “working capital” costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

### **Use of Bond-Financed Property**

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.
- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.
- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax and Non-Arbitrage Certificate.
- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a “remedial action” under the applicable Income Tax Regulations.

### **Investments and IRS Filings**

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.
- Other investments will be purchased only in market transactions.
- Calculations of rebate liability will be performed annually by outside consultants.
- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

#### Records

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.
- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax and Non-Arbitrage Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.
- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.
- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.
- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

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**Overall Responsibility**

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

**CITY OF ST. ALBANS, WEST VIRGINIA**

\_\_\_\_\_  
By: Mayor

Date: \_\_\_\_\_, 2014

*EXHIBIT C*

**CONFORMED BOND ORDINANCE**

**(Transcript Tab 1)**

**SECOND SUPPLEMENTAL RESOLUTION**

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING CERTAIN ADDITIONS AS TO THE PROJECT DESCRIPTION AND OTHER DETAILS AS TO THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (BANK QUALIFIED) OF THE CITY OF ST. ALBANS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$2,200,000 AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 B (TAXABLE) OF THE CITY OF ST. ALBANS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$500,000; 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 May 20, 2013 (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, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (BANK QUALIFIED) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$2,200,000 AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 C (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX AND NON-ARBITRAGE CERTIFICATE, A PRELIMINARY OFFICIAL STATEMENT; AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND

PROVISIONS OF SUCH BONDS AND ADOPTING OTHER  
PROVISIONS RELATING THERETO.

WHEREAS, the Issuer has duly and officially adopted a supplemental parameters resolution on January 6, 2014 (the "Supplemental Parameters Resolution"), entitled:

SUPPLEMENTAL PARAMETERS RESOLUTION  
AUTHORIZING AND APPROVING CERTAIN PARAMETERS  
AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES,  
REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER  
DETAILS AS TO THE COMBINED WATERWORKS AND  
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A  
(BANK QUALIFIED) OF THE CITY OF ST. ALBANS IN THE  
AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN  
\$2,200,000 AND COMBINED WATERWORKS AND SEWERAGE  
SYSTEM REVENUE BONDS, SERIES 2014 B (TAXABLE) OF  
THE CITY OF ST. ALBANS; AUTHORIZING AND APPROVING  
A CONFORMED BOND ORDINANCE, A TAX COMPLIANCE  
POLICY, A BOND PURCHASE AGREEMENT, A CONTINUING  
DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, A  
PRELIMINARY OFFICIAL STATEMENT; AN OFFICIAL  
STATEMENT, A CERTIFICATE OF DETERMINATIONS AND  
OTHER INSTRUMENTS RELATING TO THE BONDS;  
APPOINTING A REGISTRAR, PAYING AGENT, AND  
DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS  
TO THE BONDS.

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 Issuer desires to supplement the Bond Ordinance through this Second Supplemental Resolution (the "Second Supplemental Resolution" and together with Bond Ordinance and Supplemental Parameters Resolution, the "Bond Legislation");

WHEREAS, the Bond Legislation provided for the issuance by the Issuer of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified), in the aggregate principal amount of not more than \$2,200,000 (the "Series 2014 A Bonds"), and Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 B (Taxable), in the aggregate principal amount of not more than \$500,000 (the "Series 2014 B Bonds") (collectively, the "Bonds"), for the purposes of paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the water portion of the System, capitalizing interest on the Bonds, funding reserve accounts for the 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 Issuer desires to amend the project description to include the acquisition and construction of additions, betterments and improvements to the sewerage portion of the System; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, that the project description be amended, and that other matters relating to the 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 Issuer hereby approves amending the project description to include the acquisition and construction of additions, betterments and improvements to the water and sewerage portions of the System.

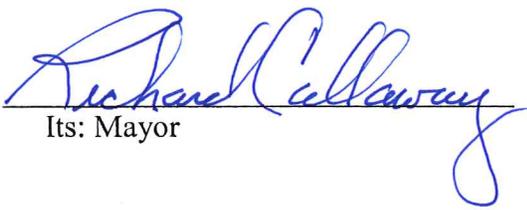
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Section 2. This Second Supplemental Resolution shall be effective immediately.

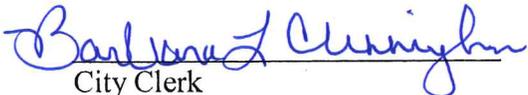
Adopted this 2nd day of June, 2014.

CITY OF ST. ALBANS

[SEAL]

By:   
Its: Mayor

Attest:

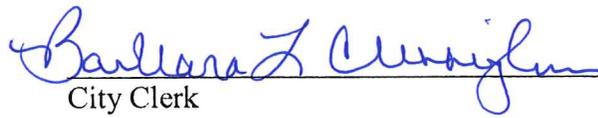
  
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Parameters Resolution duly adopted by the Council of the CITY OF ST. ALBANS on the 2nd day of June, 2014.

Dated: June 30, 2014

[SEAL]

  
City Clerk



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

Writer's Contact Information

June 30, 2014

City of St. Albans  
St. Albans, West Virginia

Crews & Associates, Inc.  
Charleston, West Virginia

Re: City of St. Albans  
Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel to the City of St. Albans (the "*Issuer*") and in such capacity have examined a record of proceedings relating to the issuance by the Issuer of its \$2,200,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified) (the "*Series 2014 A Bonds*").

The Series 2014 A Bonds are being 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 (collectively, the "*Act*"), and a Bond Ordinance duly enacted by the Issuer on May 20, 2013, as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance duly adopted by the Issuer on January 6, 2014 and Second Supplemental Resolution duly adopted by the Issuer on June 2, 2014 (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 set forth in the Bond Legislation.

The Series 2014 A Bonds are issued in fully registered form, are dated the date of original issuance, which is the date hereof, mature on June 1 in the years and amounts, and bear interest payable each June 1 and December 1, commencing December 1, 2014 all as set forth in the Bond Legislation.

The Series 2014 A Bonds maturing on and after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022 in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of 100%, plus interest accrued to the date fixed for redemption.

The Bond Legislation provides that the Series 2014 A Bonds are issued for the purposes of (i) constructing improvements and extensions to the City's waterworks and sewerage portions of the City's combined water and sewerage system (the "*Project*"), (ii) funding a debt service reserve account for the Series 2014 A Bonds, and (iii) paying costs of issuance and related costs of the Series 2014 A Bonds.

The Series 2014 A Bonds have been sold to Crews & Associates, Inc. (the “*Underwriter*”), pursuant to a Bond Purchase Agreement, dated June 24, 2014 (the “*Bond Purchase Agreement*”), between the Underwriter and the Issuer.

As to questions of fact material to our opinion, we have relied upon representations and warranties of the Issuer, the Underwriter, and other entities, the representations and warranties contained in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement dated June 30, 2014 (the “*Continuing Disclosure Agreement*”), between the Issuer and United Bank, Inc., as registrar and depository bank, and the Tax Certificate, dated the date hereof (the “*Tax Certificate*”), executed by the Issuer; and the certified proceedings and other certifications of certain officials of the Issuer and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such other certifications, instruments and documents, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing municipal corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to enact and/or adopt the Bond Legislation, enter into the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2014 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 enacted and/or adopted the Bond Legislation, has authorized, executed and delivered the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2014 A Bonds, and has issued and delivered the Series 2014 A Bonds to the Underwriter 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, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms. We have examined an executed and authenticated specimen of the Series 2014 A Bonds, and, in our opinion, said Series 2014 A Bonds are in proper form and have been duly executed and authenticated.

4. The Series 2014 A Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute legal, valid and binding limited obligations of the Issuer, payable from and secured by a first lien on the Net Revenues of the System, on a parity with the Issuer’s outstanding: (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 (the “*Series 2000 B Bonds*”); (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 (the “*Series 2000 C Bonds*”); (iii) 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*”); and (iv) 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*”), (collectively, the “*Prior Bonds*”).

5. 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 2014 A Bonds is excludable from gross income of the holders 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. It should be noted, however, that for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations.

Ownership of tax-exempt obligations, including the Series 2014 A Bonds, may result in collateral federal income tax consequences to certain taxpayers. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to purchase, ownership or sale of the Series 2014 A Bonds. Prospective purchasers of the Series 2014 A Bonds should consult their own tax advisors as to such consequences.

The opinions set forth in the above paragraph 5 are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "*Code*") that must be satisfied for interest on the Series 2014 A Bonds to be or continue to be excludable from gross income for federal income tax purposes. In addition, the Issuer must comply with all of its certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2014 A Bonds set forth in the Bond Legislation, the Tax Certificate and the certifications of the Issuer (collectively, the "*Tax Covenants*"). Failure to comply with the Tax Covenants could cause the interest on the Series 2014 A Bonds to be includable in gross income, including retroactively to the date of issuance of the Series 2014 A Bonds.

6. Under the Act, the Series 2014 A Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

7. The Issuer has designated the Series 2014 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code and has covenanted that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Series 2014 A Bonds, have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2014, all as determined in accordance with the Code.

8. The Series 2014 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 2014 A Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2014 A Bonds and the enforceability of the Series 2014 A Bonds, the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by 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 do not express any opinion as to the sufficiency or accuracy of the material, information or financial statements which are set forth in the Official Statement prepared and used in connection with the offering and sale of the Series 2014 A Bonds.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

This opinion is intended solely for the benefit of the addressees and may not be relied upon by any other person or entity without, in each such case, our express written consent.

Very truly yours,

  
STEPTOE & JOHNSON PLLC

June 30, 2014

City of St. Albans  
Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank-Qualified)

City of St. Albans  
St. Albans, West Virginia

Crews & Associates, Inc.  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale by the City of St. Albans (the "Issuer") of its \$2,200,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank-Qualified) (the "Series 2014 A Bonds"). In our capacity as bond counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2014 A Bonds and the exclusion of interest on the Series 2014 A 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 June 24, 2014, between the Issuer and Crews & Associates, Inc. (the "Underwriter").

Based upon the foregoing, we are of opinion that:

- (1) The Bond Documents have been authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, are legal, valid, binding and enforceable obligations of the Issuer (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' right generally).
- (2) The Issuer, under the Act, has full power and authority to enact and/or adopt the Bond Legislation, enter into the Bond Purchase Agreement and perform its obligations thereunder.
- (3) The Official Statement has been duly approved, signed and delivered by the Issuer, and the Issuer has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the offering of the Series 2014 A Bonds.
- (4) The statements contained in the Official Statement under the captions "Introduction," "The Series 2014 A Bonds," "Security for the Series 2014 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 Series 2014 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

**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

\$215,000

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.500%	June 1, 2019	June 30, 2014	787175CH9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 December 1, 2014 (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 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 City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 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 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 \$2,200,000 designated "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 30, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on January 6, 2014 and Second Supplemental Resolution adopted June 2, 2014, (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 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.

## Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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.

## Mandatory Redemption

The Series 2014 A Bonds maturing June 1, 2019, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2015, and on each December 1 thereafter to and including June 1, 2019, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$35,000
2016	45,000
2017	45,000
2018	45,000
2019*	45,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2019, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2020, and on each December 1 thereafter to and including June 1, 2022, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$45,000
2021	50,000
2022*	50,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2022, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2026, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2023, and on each December 1 thereafter to and including June 1, 2026, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$50,000
2024	55,000
2025	55,000
2026*	60,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2026, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2029, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2027, and on each December 1 thereafter to and including June 1, 2029, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$60,000
2028	65,000
2029*	65,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2029, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2034, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2030, and on each December 1 thereafter to and including June 1, 2034, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$70,000
2031	70,000
2032	75,000
2033	80,000
2034*	80,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2034, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2039, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2035, and on each December 1 thereafter to and including June 1, 2039, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$85,000
2036	90,000
2037	95,000
2038	100,000
2039*	100,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2039, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2044, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2040, and on each December 1 thereafter to and including June 1, 2044, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$105,000
2041	110,000
2042	115,000
2043	125,000
2044*	130,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2044, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

### **Mandatory Redemption of Series 2014 A Bonds in the Event of a Determination of Taxability**

The Series 2014 A 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 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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS"); AND

- (4). 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 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a “qualified tax-exempt obligation” by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for 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.

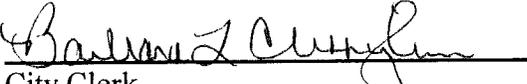
[Remainder of Page Intentionally Blank]

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

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

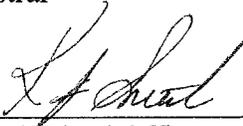
  
\_\_\_\_\_  
City Clerk

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 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 Bonds.

Dated: June 30, 2014

UNITED BANK, INC.,  
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: \_\_\_\_\_, 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

\$145,000

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.500%	June 1, 2022	June 30, 2014	787175CJ5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 December 1, 2014 (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 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 City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 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 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 \$2,200,000 designated "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 30, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on January 6, 2014 and Second Supplemental Resolution adopted June 2, 2014, (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 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.

## Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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.

## Mandatory Redemption

The Series 2014 A Bonds maturing June 1, 2019, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2015, and on each December 1 thereafter to and including June 1, 2019, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$35,000
2016	45,000
2017	45,000
2018	45,000
2019*	45,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2019, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2020, and on each December 1 thereafter to and including June 1, 2022, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$45,000
2021	50,000
2022*	50,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2022, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2026, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2023, and on each December 1 thereafter to and including June 1, 2026, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$50,000
2024	55,000
2025	55,000
2026*	60,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2026, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2029, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2027, and on each December 1 thereafter to and including June 1, 2029, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$60,000
2028	65,000
2029*	65,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2029, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2034, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2030, and on each December 1 thereafter to and including June 1, 2034, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$70,000
2031	70,000
2032	75,000
2033	80,000
2034*	80,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2034, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2039, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2035, and on each December 1 thereafter to and including June 1, 2039, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$85,000
2036	90,000
2037	95,000
2038	100,000
2039*	100,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2039, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2044, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2040, and on each December 1 thereafter to and including June 1, 2044, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$105,000
2041	110,000
2042	115,000
2043	125,000
2044*	130,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2044, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

### **Mandatory Redemption of Series 2014 A Bonds in the Event of a Determination of Taxability**

The Series 2014 A 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 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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS"); AND

- (4). 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 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a “qualified tax-exempt obligation” by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for 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.

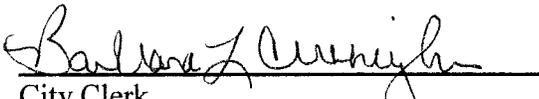
[Remainder of Page Intentionally Blank]

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

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

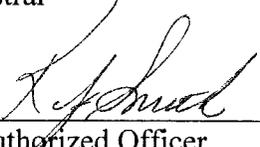
CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION

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 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 Bonds.

Dated: June 30, 2014

UNITED BANK, INC.,  
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: \_\_\_\_\_, 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

\$220,000

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.250%	June 1, 2026	June 30, 2014	787175CK2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 December 1, 2014 (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 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 City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 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 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 \$2,200,000 designated "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 30, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on January 6, 2014 and Second Supplemental Resolution adopted June 2, 2014, (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 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.

## Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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.

## Mandatory Redemption

The Series 2014 A Bonds maturing June 1, 2019, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2015, and on each December 1 thereafter to and including June 1, 2019, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$35,000
2016	45,000
2017	45,000
2018	45,000
2019*	45,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2019, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2020, and on each December 1 thereafter to and including June 1, 2022, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$45,000
2021	50,000
2022*	50,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2022, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2026, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2023, and on each December 1 thereafter to and including June 1, 2026, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$50,000
2024	55,000
2025	55,000
2026*	60,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2026, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2029, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2027, and on each December 1 thereafter to and including June 1, 2029, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$60,000
2028	65,000
2029*	65,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2029, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2034, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2030, and on each December 1 thereafter to and including June 1, 2034, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$70,000
2031	70,000
2032	75,000
2033	80,000
2034*	80,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2034, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2039, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2035, and on each December 1 thereafter to and including June 1, 2039, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$85,000
2036	90,000
2037	95,000
2038	100,000
2039*	100,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2039, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2044, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2040, and on each December 1 thereafter to and including June 1, 2044, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$105,000
2041	110,000
2042	115,000
2043	125,000
2044*	130,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2044, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

### **Mandatory Redemption of Series 2014 A Bonds in the Event of a Determination of Taxability**

The Series 2014 A 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 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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS"); AND

- (4). 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 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a “qualified tax-exempt obligation” by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for inheritance, estate and transfer taxes.

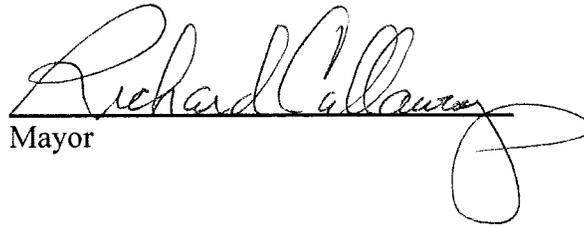
This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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.

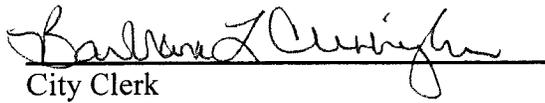
[Remainder of Page Intentionally Blank]

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

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

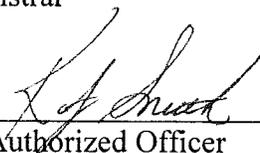
  
\_\_\_\_\_  
City Clerk

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 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 Bonds.

Dated: June 30, 2014

UNITED BANK, INC.,  
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: \_\_\_\_\_, 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

\$190,000

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.000%	June 1, 2029	June 30, 2014	787175CL0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED NINETY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 December 1, 2014 (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 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 City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 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 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 \$2,200,000 designated "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 30, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on January 6, 2014 and Second Supplemental Resolution adopted June 2, 2014, (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 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.

## Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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.

## Mandatory Redemption

The Series 2014 A Bonds maturing June 1, 2019, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2015, and on each December 1 thereafter to and including June 1, 2019, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$35,000
2016	45,000
2017	45,000
2018	45,000
2019*	45,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2019, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2020, and on each December 1 thereafter to and including June 1, 2022, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$45,000
2021	50,000
2022*	50,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2022, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2026, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2023, and on each December 1 thereafter to and including June 1, 2026, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$50,000
2024	55,000
2025	55,000
2026*	60,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2026, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2029, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2027, and on each December 1 thereafter to and including June 1, 2029, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$60,000
2028	65,000
2029*	65,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2029, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2034, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2030, and on each December 1 thereafter to and including June 1, 2034, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$70,000
2031	70,000
2032	75,000
2033	80,000
2034*	80,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2034, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2039, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2035, and on each December 1 thereafter to and including June 1, 2039, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$85,000
2036	90,000
2037	95,000
2038	100,000
2039*	100,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2039, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2044, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2040, and on each December 1 thereafter to and including June 1, 2044, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$105,000
2041	110,000
2042	115,000
2043	125,000
2044*	130,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2044, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

### **Mandatory Redemption of Series 2014 A Bonds in the Event of a Determination of Taxability**

The Series 2014 A 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 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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS"); AND

- (4). 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 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a “qualified tax-exempt obligation” by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for inheritance, estate and transfer taxes.

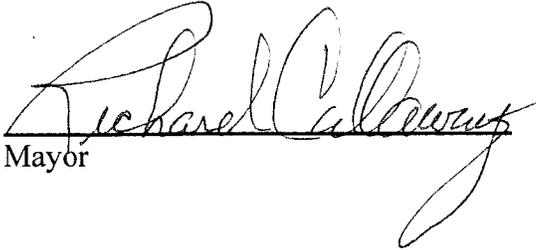
This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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.

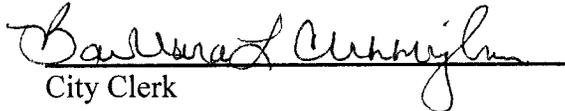
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IN WITNESS WHEREOF, the CITY OF ST. ALBANS has caused this Bond to be signed by its Mayor , and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

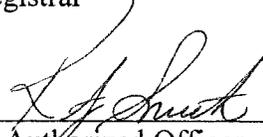
CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION

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 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 Bonds.

Dated: June 30, 2014

UNITED BANK, INC.,  
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: \_\_\_\_\_, 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

\$375,000

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.375%	June 1, 2034	June 30, 2014	787175CM8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 December 1, 2014 (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 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 City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 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 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 \$2,200,000 designated "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 30, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on January 6, 2014 and Second Supplemental Resolution adopted June 2, 2014, (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 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.

## Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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.

## Mandatory Redemption

The Series 2014 A Bonds maturing June 1, 2019, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2015, and on each December 1 thereafter to and including June 1, 2019, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$35,000
2016	45,000
2017	45,000
2018	45,000
2019*	45,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2019, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2020, and on each December 1 thereafter to and including June 1, 2022, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$45,000
2021	50,000
2022*	50,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2022, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2026, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2023, and on each December 1 thereafter to and including June 1, 2026, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$50,000
2024	55,000
2025	55,000
2026*	60,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2026, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2029, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2027, and on each December 1 thereafter to and including June 1, 2029, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$60,000
2028	65,000
2029*	65,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2029, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2034, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2030, and on each December 1 thereafter to and including June 1, 2034, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$70,000
2031	70,000
2032	75,000
2033	80,000
2034*	80,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2034, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2039, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2035, and on each December 1 thereafter to and including June 1, 2039, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$85,000
2036	90,000
2037	95,000
2038	100,000
2039*	100,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2039, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2044, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2040, and on each December 1 thereafter to and including June 1, 2044, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$105,000
2041	110,000
2042	115,000
2043	125,000
2044*	130,000
*Final Maturity -	

The principal amount of Series 2014 A Bonds maturing June 1, 2044, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

### **Mandatory Redemption of Series 2014 A Bonds in the Event of a Determination of Taxability**

The Series 2014 A 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 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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS"); AND

- (4). 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 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a "qualified tax-exempt obligation" by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for inheritance, estate and transfer taxes.

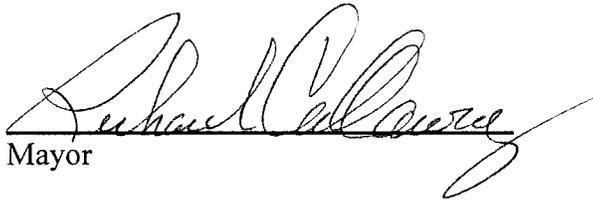
This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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.

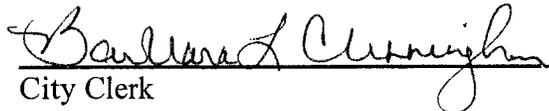
[Remainder of Page Intentionally Blank]

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

[SEAL]

  
Mayor

ATTEST:

  
City Clerk

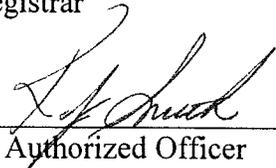
CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION

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 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 Bonds.

Dated: June 30, 2014

UNITED BANK, INC.,  
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: \_\_\_\_\_, 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-6

\$470,000

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.500%	June 1, 2039	June 30, 2014	787175CN6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED SEVENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 December 1, 2014 (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 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 City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 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 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 \$2,200,000 designated "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 30, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on January 6, 2014 and Second Supplemental Resolution adopted June 2, 2014, (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 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.

## Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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.

## Mandatory Redemption

The Series 2014 A Bonds maturing June 1, 2019, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2015, and on each December 1 thereafter to and including June 1, 2019, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$35,000
2016	45,000
2017	45,000
2018	45,000
2019*	45,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2019, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2020, and on each December 1 thereafter to and including June 1, 2022, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$45,000
2021	50,000
2022*	50,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2022, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2026, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2023, and on each December 1 thereafter to and including June 1, 2026, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$50,000
2024	55,000
2025	55,000
2026*	60,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2026, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2029, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2027, and on each December 1 thereafter to and including June 1, 2029, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$60,000
2028	65,000
2029*	65,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2029, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2034, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2030, and on each December 1 thereafter to and including June 1, 2034, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$70,000
2031	70,000
2032	75,000
2033	80,000
2034*	80,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2034, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2039, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2035, and on each December 1 thereafter to and including June 1, 2039, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$85,000
2036	90,000
2037	95,000
2038	100,000
2039*	100,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2039, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2044, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2040, and on each December 1 thereafter to and including June 1, 2044, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$105,000
2041	110,000
2042	115,000
2043	125,000
2044*	130,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2044, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

**Mandatory Redemption of Series 2014 A Bonds in the Event of a Determination of Taxability**

The Series 2014 A 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 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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS"); AND

- (4). 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 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a “qualified tax-exempt obligation” by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for 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.

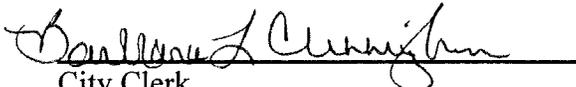
[Remainder of Page Intentionally Blank]

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

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

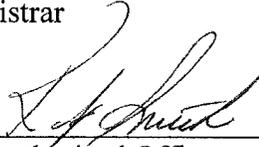
CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION

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 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 Bonds.

Dated: June 30, 2014

UNITED BANK, INC.,  
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: \_\_\_\_\_, 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-7

\$585,000

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF ST. ALBANS (WEST VIRGINIA)  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REVENUE BOND, SERIES 2014 A (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.750%	June 1, 2044	June 30, 2014	787175CP1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF ST. ALBANS, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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 City 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 December 1, 2014 (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 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 City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 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 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 \$2,200,000 designated "City of St. Albans (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A" (the "Series 2014 A Bonds" or the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 30, 2014, the proceeds of which are to be used (i) to finance a portion of the costs of acquisition and construction of the Project, (ii) to fund the Series 2014 A Bonds Reserve Account, and (iii) to pay certain costs of issuance of the Series 2014 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on May 20, 2013, as supplemented by Supplemental Resolution and Conformed Ordinance adopted by said Council on January 6, 2014 and Second Supplemental Resolution adopted June 2, 2014, (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 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.

## Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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.

## Mandatory Redemption

The Series 2014 A Bonds maturing June 1, 2019, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2015, and on each December 1 thereafter to and including June 1, 2019, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$35,000
2016	45,000
2017	45,000
2018	45,000
2019*	45,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2019, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2020, and on each December 1 thereafter to and including June 1, 2022, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$45,000
2021	50,000
2022*	50,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2022, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2026, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2023, and on each December 1 thereafter to and including June 1, 2026, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$50,000
2024	55,000
2025	55,000
2026*	60,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2026, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2029, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2027, and on each December 1 thereafter to and including June 1, 2029, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$60,000
2028	65,000
2029*	65,000

\*Final Maturity

The principal amount of Series 2014 A Bonds maturing June 1, 2029, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2034, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2030, and on each December 1 thereafter to and including June 1, 2034, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$70,000
2031	70,000
2032	75,000
2033	80,000
2034*	80,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2034, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2039, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2035, and on each December 1 thereafter to and including June 1, 2039, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$85,000
2036	90,000
2037	95,000
2038	100,000
2039*	100,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2039, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2014 A Bonds maturing June 1, 2044, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2014 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 June 1, 2040, and on each December 1 thereafter to and including June 1, 2044, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$105,000
2041	110,000
2042	115,000
2043	125,000
2044*	130,000
*Final Maturity	

The principal amount of Series 2014 A Bonds maturing June 1, 2044, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2014 A Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

### **Mandatory Redemption of Series 2014 A Bonds in the Event of a Determination of Taxability**

The Series 2014 A 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 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 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 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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2014 A BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS:

- (1). 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");
- (2). 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");
- (3). COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED DECEMBER 3, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,735,000 (THE "SERIES 2008 A BONDS"); AND -

- (4). 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 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 with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2014 A Bonds Sinking Fund and the Series 2014 A Bonds Reserve Account established under the Ordinance, and 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 2014 A Bonds Sinking Fund and the Series 2014 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with, or junior and subordinate to, 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 thereon shall be applied solely to finance the acquisition and construction of the Project, fund a reserve account for the Bonds and pay costs of issuance of the 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 in the issuance of this 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 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 Net 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 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 has been designated a “qualified tax-exempt obligation” by the Issuer 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 taxation by the State of West Virginia, and the other taxing bodies of the State, except for 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.

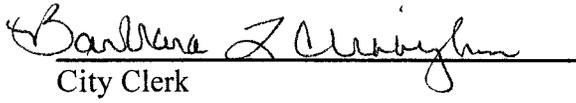
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IN WITNESS WHEREOF, the CITY OF ST. ALBANS has caused this Bond to be signed by its Mayor , and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

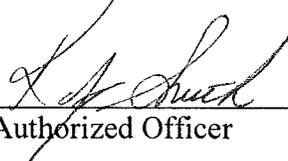
CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION

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 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 Bonds.

Dated: June 30, 2014

UNITED BANK, INC.,  
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: \_\_\_\_\_, 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.

**\$2,200,000**  
**CITY OF ST. ALBANS**  
**COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS**  
**SERIES 2014 A (BANK QUALIFIED)**

**BOND PURCHASE AGREEMENT**

June 24, 2014

City of St. Albans  
1499 MacCorkle Avenue  
St. Albans, WV 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 Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified) in the aggregate principal amount of \$2,200,000 (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 May 20, 2013 (the "Original Ordinance"), as supplemented, amended and conformed by a supplemental parameters resolution adopted by the Council of the Issuer on January 6, 2014, pursuant to the Original Ordinance, and a Second Supplemental Resolution adopted by the Council of the Issuer on June 2, 2014, pursuant to the Original Ordinance (collectively, the "Supplemental Resolutions" and together with the Original Ordinance, the "Ordinance"). This Bond Purchase Agreement, the Official Statement, the Preliminary Official Statement, the Tax Regulatory Agreement and the Continuing Disclosure Agreement 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, 7<sup>th</sup> Floor, on June 30, 2014 (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, at an aggregate purchase price of \$2,127,798.50 (\$2,200,000.00 minus Underwriter's discount of \$55,000.00, minus a net original issue discount of \$17,201.50).

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 By 3:00 Eastern Time on Friday, June 27, 2014, 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 June 18, 2014 (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 May 20, 2013, the Issuer enacted the Original Ordinance, and since that time the Original Ordinance has been supplemented, amended and conformed by a Supplemental Parameters Resolution adopted by the Council of the Issuer on January 6, 2014, and a Second Supplemental Resolution adopted by the Council of the Issuer on June 2, 2014, pursuant to the Original Ordinance.

(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 financed 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 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, 2012, 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 statements 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, 2012, 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 Agreement.

(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 2014 Bonds," "Security for the Series 2014 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 their 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 their 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," 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, 2012, 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 twenty-four (24) hours prior to the Closing Date for inspection. 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; (iv) initial fees relating to The Depository Trust Company; and (v) 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; and (iii) 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, telegraphed 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  
1499 MacCorkle Avenue  
St. Albans, WV 25177  
Attn: 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 inoperative 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.

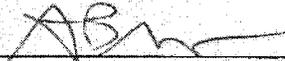
12.6 Whenever any action contemplated by this Bond Purchase Agreement requires the consent or approval of the Underwriter, it is acknowledged that the Underwriter may not unreasonably withhold such approval.

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.

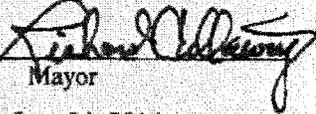
12.9 No personal recourse shall be had for any claim based on this Bond Purchase Agreement or the Bonds against any official, agent or employee, past, present or future, of the Issuer or any successor body or entity as such, either directly or through the Issuer or any such successor body or entity, 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

Date: June 24, 2014

EXHIBIT A

**\$2,200,000**  
**City Of St. Albans**  
**Combined Waterworks and Sewerage System Revenue Bonds**  
**Series 2014 A (Bank Qualified)**

<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity</u> <u>Value</u>	<u>Price</u>	<u>YTM</u>
06/01/2019	Term 1 Coupon	2.500%	2.500%	215,000.00	100.000%	-
06/01/2022	Term 2 Coupon	3.500%	3.000%	145,000.00	103.499%	-
06/01/2026	Term 3 Coupon	4.250%	3.500%	220,000.00	105.146% c	3.712%
06/01/2029	Term 4 Coupon	4.000%	4.000%	190,000.00	100.000%	-
06/01/2034	Term 5 Coupon	4.375%	4.500%	375,000.00	98.363%	-
06/01/2039	Term 6 Coupon	4.500%	4.700%	470,000.00	97.078%	-
06/01/2044	Term 7 Coupon	4.750%	4.900%	585,000.00	97.654%	-

c Priced to June 1, 2022 optional par call

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Optional Redemption

The Series 2014 A Bonds maturing on or after June 1, 2023 are subject to redemption at the option of the Issuer, prior to maturity, on or after June 1, 2022, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

**WV MUNICIPAL BOND COMMISSION**  
 900 Pennsylvania Avenue  
 Suite 1117  
 Charleston, WV 25301  
 (304) 558-3971

**NEW ISSUE REPORT FORM**

Date of Report: 6/30/2014

ISSUE: <u>City of St. Albans</u>	
<u>Combined Waterworks &amp; Sewerage System Revenue Bonds, Series 2014 A (Bank Qualified)</u>	
ADDRESS: <u>P.O. Box 1488, St. Albans, West Virginia 25177</u>	COUNTY: <u>Kanawha</u>
PURPOSE OF ISSUE:	
New Money: <u>  x  </u>	REFUNDS ISSUE(S) DATED: <u>  NA  </u>
Refunding: _____	
ISSUE DATE: <u>6/30/2014</u>	CLOSING DATE: <u>6/30/2014</u>
ISSUE AMOUNT: <u>                    \$2,200,000</u>	RATE: <u>  2.5%-4.75%  </u>
1ST DEBT SERVICE DUE: <u>12/1/2014</u>	1ST PRINCIPAL DUE: <u>6/1/2015</u>
1ST DEBT SERVICE AMOUNT <u>  see attached  </u>	PAYING AGENT: <u>  Municipal Bond Commission  </u>
BOND COUNSEL:	
Firm: <u>  Step toe &amp; Johnson PLLC  </u>	UNDER WRITERS COUNSEL
Contact <u>  John Stump, Esquire  </u>	Firm: <u>  Goodwin &amp; Goodwin  </u>
Phone: <u>  (304) 353.8196  </u>	Contact: <u>  William Bragg, Esquire  </u>
	Phone: <u>  304.346.7000  </u>
CLOSING BANK:	
Bank: <u>  United Bank, Inc  </u>	ESCROW TRUSTEE:
Contact: <u>  Kathy Smith  </u>	Firm: _____
Phone: <u>  304.348.8427  </u>	Contact: _____
	Phone: _____
KNOWLEDGEABLE ISSUER CONTACT	
Contact: <u>  Dick Callaway  </u>	OTHER:
Position: <u>  Mayor  </u>	Agency: <u>  Underwriter - Crews &amp; Associates  </u>
Phone: <u>  304.722.3391  </u>	Contact: <u>  Greg Isaacs  </u>
	Position: <u>  Senior Managing Director  </u>
	Phone: <u>  304.344.1733  </u>
DEPOSITS TO MBC AT CLOSE	
By: <u>  x  </u> Wire	Accrued Interest: \$ _____
_____ Check	Capitalized Interes \$ _____
	<u>  x  </u> Reserve Account: \$ <u>  137,112.50  </u>
	Other: \$ _____
REFUNDS & TRANSFERS BY MBC AT CLOSE	
By: _____ Wire	To Escrow Trustee \$ _____
_____ Check	To Issuer \$ _____
_____ IGT	To Cons. Invest. F \$ _____
	To Other: _____ \$ _____
NOTES: <u>  Series 2014 A Bonds Reserve Account fully funded by bond proceeds  </u>	
_____	
_____	
FOR MUNICIPAL BOND COMMISSION USE ONLY:	
DOCUMENTS REQUIRED: _____	
TRANSFERS REQUIRED: _____	
_____	

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

## Sources & Uses

Dated 06/30/2014 | Delivered 06/30/2014

### Sources Of Funds

Par Amount of Bonds	\$2,200,000.00
Original Issue Discount (OID)	(17,201.50)

**Total Sources** **\$2,182,798.50**

### Uses Of Funds

Project Fund Deposit	1,928,186.00
Deposit to Debt Service Reserve Fund (DSRF)	137,112.50
Costs of Issuance	62,500.00
Total Underwriter's Discount (2.500%)	55,000.00

**Total Uses** **\$2,182,798.50**

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

**Net Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S	Fiscal Total
06/30/2014	-	-	-	-	-	-	-
12/01/2014	-	-	38,900.85	38,900.85	-	38,900.85	-
06/01/2015	35,000.00	2.500%	46,371.88	81,371.88	-	81,371.88	120,272.73
12/01/2015	-	-	45,934.38	45,934.38	-	45,934.38	-
06/01/2016	45,000.00	2.500%	45,934.38	90,934.38	-	90,934.38	136,868.76
12/01/2016	-	-	45,371.88	45,371.88	-	45,371.88	-
06/01/2017	45,000.00	2.500%	45,371.88	90,371.88	-	90,371.88	135,743.76
12/01/2017	-	-	44,809.38	44,809.38	-	44,809.38	-
06/01/2018	45,000.00	2.500%	44,809.38	89,809.38	-	89,809.38	134,618.76
12/01/2018	-	-	44,246.88	44,246.88	-	44,246.88	-
06/01/2019	45,000.00	2.500%	44,246.88	89,246.88	-	89,246.88	133,493.76
12/01/2019	-	-	43,684.38	43,684.38	-	43,684.38	-
06/01/2020	45,000.00	3.500%	43,684.38	88,684.38	-	88,684.38	132,368.76
12/01/2020	-	-	42,896.88	42,896.88	-	42,896.88	-
06/01/2021	50,000.00	3.500%	42,896.88	92,896.88	-	92,896.88	135,793.76
12/01/2021	-	-	42,021.88	42,021.88	-	42,021.88	-
06/01/2022	50,000.00	3.500%	42,021.88	92,021.88	-	92,021.88	134,043.76
12/01/2022	-	-	41,146.88	41,146.88	-	41,146.88	-
06/01/2023	50,000.00	4.250%	41,146.88	91,146.88	-	91,146.88	132,293.76
12/01/2023	-	-	40,084.38	40,084.38	-	40,084.38	-
06/01/2024	55,000.00	4.250%	40,084.38	95,084.38	-	95,084.38	135,168.76
12/01/2024	-	-	38,915.63	38,915.63	-	38,915.63	-
06/01/2025	55,000.00	4.250%	38,915.63	93,915.63	-	93,915.63	132,831.26
12/01/2025	-	-	37,746.88	37,746.88	-	37,746.88	-
06/01/2026	60,000.00	4.250%	37,746.88	97,746.88	-	97,746.88	135,493.76
12/01/2026	-	-	36,471.88	36,471.88	-	36,471.88	-
06/01/2027	60,000.00	4.000%	36,471.88	96,471.88	-	96,471.88	132,943.76
12/01/2027	-	-	35,271.88	35,271.88	-	35,271.88	-
06/01/2028	65,000.00	4.000%	35,271.88	100,271.88	-	100,271.88	135,543.76
12/01/2028	-	-	33,971.88	33,971.88	-	33,971.88	-
06/01/2029	65,000.00	4.000%	33,971.88	98,971.88	-	98,971.88	132,943.76
12/01/2029	-	-	32,671.88	32,671.88	-	32,671.88	-
06/01/2030	70,000.00	4.375%	32,671.88	102,671.88	-	102,671.88	135,343.76
12/01/2030	-	-	31,140.63	31,140.63	-	31,140.63	-
06/01/2031	70,000.00	4.375%	31,140.63	101,140.63	-	101,140.63	132,281.26
12/01/2031	-	-	29,609.38	29,609.38	-	29,609.38	-
06/01/2032	75,000.00	4.375%	29,609.38	104,609.38	-	104,609.38	134,218.76
12/01/2032	-	-	27,968.75	27,968.75	-	27,968.75	-
06/01/2033	80,000.00	4.375%	27,968.75	107,968.75	-	107,968.75	135,937.50
12/01/2033	-	-	26,218.75	26,218.75	-	26,218.75	-
06/01/2034	80,000.00	4.375%	26,218.75	106,218.75	-	106,218.75	132,437.50
12/01/2034	-	-	24,468.75	24,468.75	-	24,468.75	-
06/01/2035	85,000.00	4.500%	24,468.75	109,468.75	-	109,468.75	133,937.50
12/01/2035	-	-	22,556.25	22,556.25	-	22,556.25	-
06/01/2036	90,000.00	4.500%	22,556.25	112,556.25	-	112,556.25	135,112.50
12/01/2036	-	-	20,531.25	20,531.25	-	20,531.25	-
06/01/2037	95,000.00	4.500%	20,531.25	115,531.25	-	115,531.25	136,062.50
12/01/2037	-	-	18,393.75	18,393.75	-	18,393.75	-
06/01/2038	100,000.00	4.500%	18,393.75	118,393.75	-	118,393.75	136,787.50
12/01/2038	-	-	16,143.75	16,143.75	-	16,143.75	-
06/01/2039	100,000.00	4.500%	16,143.75	116,143.75	-	116,143.75	132,287.50
12/01/2039	-	-	13,893.75	13,893.75	-	13,893.75	-
06/01/2040	105,000.00	4.750%	13,893.75	118,893.75	-	118,893.75	132,787.50
12/01/2040	-	-	11,400.00	11,400.00	-	11,400.00	-
06/01/2041	110,000.00	4.750%	11,400.00	121,400.00	-	121,400.00	132,800.00
12/01/2041	-	-	8,787.50	8,787.50	-	8,787.50	-
06/01/2042	115,000.00	4.750%	8,787.50	123,787.50	-	123,787.50	132,575.00
12/01/2042	-	-	6,056.25	6,056.25	-	6,056.25	-
06/01/2043	125,000.00	4.750%	6,056.25	131,056.25	-	131,056.25	137,112.50
12/01/2043	-	-	3,087.50	3,087.50	-	3,087.50	-
06/01/2044	130,000.00	4.750%	3,087.50	133,087.50	(137,112.50)	(4,025.00)	(937.50)
<b>Total</b>	<b>\$2,200,000.00</b>	<b>-</b>	<b>\$1,816,279.15</b>	<b>\$4,016,279.15</b>	<b>(137,112.50)</b>	<b>\$3,879,166.65</b>	<b>-</b>

St Albans (Final) | New \$ | 6/24/2014 | 11:15 AM

**Crews & Associates, Inc.**

Capital Markets Group

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/01/2015	35,000.00	2.500%	85,272.73	120,272.73
06/01/2016	45,000.00	2.500%	91,868.76	136,868.76
06/01/2017	45,000.00	2.500%	90,743.76	135,743.76
06/01/2018	45,000.00	2.500%	89,618.76	134,618.76
06/01/2019	45,000.00	2.500%	88,493.76	133,493.76
06/01/2020	45,000.00	3.500%	87,368.76	132,368.76
06/01/2021	50,000.00	3.500%	85,793.76	135,793.76
06/01/2022	50,000.00	3.500%	84,043.76	134,043.76
06/01/2023	50,000.00	4.250%	82,293.76	132,293.76
06/01/2024	55,000.00	4.250%	80,168.76	135,168.76
06/01/2025	55,000.00	4.250%	77,831.26	132,831.26
06/01/2026	60,000.00	4.250%	75,493.76	135,493.76
06/01/2027	60,000.00	4.000%	72,943.76	132,943.76
06/01/2028	65,000.00	4.000%	70,543.76	135,543.76
06/01/2029	65,000.00	4.000%	67,943.76	132,943.76
06/01/2030	70,000.00	4.375%	65,343.76	135,343.76
06/01/2031	70,000.00	4.375%	62,281.26	132,281.26
06/01/2032	75,000.00	4.375%	59,218.76	134,218.76
06/01/2033	80,000.00	4.375%	55,937.50	135,937.50
06/01/2034	80,000.00	4.375%	52,437.50	132,437.50
06/01/2035	85,000.00	4.500%	48,937.50	133,937.50
06/01/2036	90,000.00	4.500%	45,112.50	135,112.50
06/01/2037	95,000.00	4.500%	41,062.50	136,062.50
06/01/2038	100,000.00	4.500%	36,787.50	136,787.50
06/01/2039	100,000.00	4.500%	32,287.50	132,287.50
06/01/2040	105,000.00	4.750%	27,787.50	132,787.50
06/01/2041	110,000.00	4.750%	22,800.00	132,800.00
06/01/2042	115,000.00	4.750%	17,575.00	132,575.00
06/01/2043	125,000.00	4.750%	12,112.50	137,112.50
06/01/2044	130,000.00	4.750%	6,175.00	136,175.00
<b>Total</b>	<b>\$2,200,000.00</b>	<b>-</b>	<b>\$1,816,279.15</b>	<b>\$4,016,279.15</b>

### Yield Statistics

Bond Year Dollars	\$40,572.78
Average Life	18.442 Years
Average Coupon	4.4765955%
Net Interest Cost (NIC)	4.6545510%
True Interest Cost (TIC)	4.7171284%
Bond Yield for Arbitrage Purposes	4.4999607%
All Inclusive Cost (AIC)	4.9745240%

### IRS Form 8038

Net Interest Cost	4.5933853%
Weighted Average Maturity	18.286 Years

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**Crews & Associates, Inc.**

Capital Markets Group

Final

**\$2,200,000**

City of St. Albans, West Virginia  
Waterworks and Sewerage System Revenue Bonds  
Series 2014A

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
06/01/2019	Term 1 Coupon	2.500%	2.500%	215,000.00	100.000%	-	-	-	215,000.00
06/01/2022	Term 2 Coupon	3.500%	3.000%	145,000.00	103.499%	-	-	-	150,073.55
06/01/2026	Term 3 Coupon	4.250%	3.500%	220,000.00	105.146%	c 3.712%	06/01/2022	100.000%	231,321.20
06/01/2029	Term 4 Coupon	4.000%	4.000%	190,000.00	100.000%	-	-	-	190,000.00
06/01/2034	Term 5 Coupon	4.375%	4.500%	375,000.00	98.363%	-	-	-	368,861.25
06/01/2039	Term 6 Coupon	4.500%	4.700%	470,000.00	97.078%	-	-	-	456,266.60
06/01/2044	Term 7 Coupon	4.750%	4.900%	585,000.00	97.654%	-	-	-	571,275.90
<b>Total</b>	-	-	-	<b>\$2,200,000.00</b>	-	-	-	-	<b>\$2,182,798.50</b>

### Bid Information

Par Amount of Bonds	\$2,200,000.00
Reoffering Premium or (Discount)	(17,201.50)
Gross Production	\$2,182,798.50
Total Underwriter's Discount (2.500%)	\$(55,000.00)
Bid (96.718%)	2,127,798.50
Total Purchase Price	\$2,127,798.50
Bond Year Dollars	\$40,572.78
Average Life	18.442 Years
Average Coupon	4.4765955%
Net Interest Cost (NIC)	4.6545510%
True Interest Cost (TIC)	4.7171284%

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

## Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

<u>Maturity</u>	<u>Call Date</u>	<u>Call Price</u>	<u>PV at Bond Yield</u>	<u>Lowest?</u>
06/01/2026	-	-	215,458.94	Yes
06/01/2026	06/01/2022	100.000%	216,377.26	No

Final

**\$2,200,000**

City of St. Albans, West Virginia  
Waterworks and Sewerage System Revenue Bonds  
Series 2014A

**Proof of D/S for Arbitrage Purposes**

Date	Principal	Interest	Total
06/30/2014	-	-	-
12/01/2014	-	38,900.85	38,900.85
06/01/2015	35,000.00	46,371.88	81,371.88
12/01/2015	-	45,934.38	45,934.38
06/01/2016	45,000.00	45,934.38	90,934.38
12/01/2016	-	45,371.88	45,371.88
06/01/2017	45,000.00	45,371.88	90,371.88
12/01/2017	-	44,809.38	44,809.38
06/01/2018	45,000.00	44,809.38	89,809.38
12/01/2018	-	44,246.88	44,246.88
06/01/2019	45,000.00	44,246.88	89,246.88
12/01/2019	-	43,684.38	43,684.38
06/01/2020	45,000.00	43,684.38	88,684.38
12/01/2020	-	42,896.88	42,896.88
06/01/2021	50,000.00	42,896.88	92,896.88
12/01/2021	-	42,021.88	42,021.88
06/01/2022	50,000.00	42,021.88	92,021.88
12/01/2022	-	41,146.88	41,146.88
06/01/2023	50,000.00	41,146.88	91,146.88
12/01/2023	-	40,084.38	40,084.38
06/01/2024	55,000.00	40,084.38	95,084.38
12/01/2024	-	38,915.63	38,915.63
06/01/2025	55,000.00	38,915.63	93,915.63
12/01/2025	-	37,746.88	37,746.88
06/01/2026	60,000.00	37,746.88	97,746.88
12/01/2026	-	36,471.88	36,471.88
06/01/2027	60,000.00	36,471.88	96,471.88
12/01/2027	-	35,271.88	35,271.88
06/01/2028	65,000.00	35,271.88	100,271.88
12/01/2028	-	33,971.88	33,971.88
06/01/2029	65,000.00	33,971.88	98,971.88
12/01/2029	-	32,671.88	32,671.88
06/01/2030	70,000.00	32,671.88	102,671.88
12/01/2030	-	31,140.63	31,140.63
06/01/2031	70,000.00	31,140.63	101,140.63
12/01/2031	-	29,609.38	29,609.38
06/01/2032	75,000.00	29,609.38	104,609.38
12/01/2032	-	27,968.75	27,968.75
06/01/2033	80,000.00	27,968.75	107,968.75
12/01/2033	-	26,218.75	26,218.75
06/01/2034	80,000.00	26,218.75	106,218.75
12/01/2034	-	24,468.75	24,468.75
06/01/2035	85,000.00	24,468.75	109,468.75
12/01/2035	-	22,556.25	22,556.25
06/01/2036	90,000.00	22,556.25	112,556.25
12/01/2036	-	20,531.25	20,531.25
06/01/2037	95,000.00	20,531.25	115,531.25
12/01/2037	-	18,393.75	18,393.75
06/01/2038	100,000.00	18,393.75	118,393.75
12/01/2038	-	16,143.75	16,143.75
06/01/2039	100,000.00	16,143.75	116,143.75
12/01/2039	-	13,893.75	13,893.75
06/01/2040	105,000.00	13,893.75	118,893.75
12/01/2040	-	11,400.00	11,400.00
06/01/2041	110,000.00	11,400.00	121,400.00
12/01/2041	-	8,787.50	8,787.50
06/01/2042	115,000.00	8,787.50	123,787.50
12/01/2042	-	6,056.25	6,056.25
06/01/2043	125,000.00	6,056.25	131,056.25
12/01/2043	-	3,087.50	3,087.50
06/01/2044	130,000.00	3,087.50	133,087.50
<b>Total</b>	<b>\$2,200,000.00</b>	<b>\$1,816,279.15</b>	<b>\$4,016,279.15</b>

St Albans (Final) | New \$ | 6/24/2014 | 11:15 AM

**Crews & Associates, Inc.**  
Capital Markets Group

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

**Proof Of Bond Yield @ 4.4999607%**

Part 1 of 2

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/30/2014	-	1.0000000x	-	-
12/01/2014	38,900.85	0.9815075x	38,181.48	38,181.48
06/01/2015	81,371.88	0.9599097x	78,109.66	116,291.13
12/01/2015	45,934.38	0.9387872x	43,122.61	159,413.74
06/01/2016	90,934.38	0.9181295x	83,489.53	242,903.27
12/01/2016	45,371.88	0.8979263x	40,740.60	283,643.88
06/01/2017	90,371.88	0.8781677x	79,361.67	363,005.54
12/01/2017	44,809.38	0.8588439x	38,484.26	401,489.81
06/01/2018	89,809.38	0.8399453x	75,434.96	476,924.77
12/01/2018	44,246.88	0.8214625x	36,347.15	513,271.92
06/01/2019	89,246.88	0.8033865x	71,699.74	584,971.66
12/01/2019	43,684.38	0.7857082x	34,323.18	619,294.84
06/01/2020	88,684.38	0.7684189x	68,146.76	687,441.59
12/01/2020	42,896.88	0.7515101x	32,237.44	719,679.03
06/01/2021	92,896.88	0.7349733x	68,276.73	787,955.76
12/01/2021	42,021.88	0.7188005x	30,205.35	818,161.11
06/01/2022	92,021.88	0.7029835x	64,689.86	882,850.97
12/01/2022	41,146.88	0.6875145x	28,289.08	911,140.05
06/01/2023	91,146.88	0.6723860x	61,285.89	972,425.93
12/01/2023	40,084.38	0.6575903x	26,359.10	998,785.03
06/01/2024	95,084.38	0.6431203x	61,150.69	1,059,935.73
12/01/2024	38,915.63	0.6289686x	24,476.71	1,084,412.43
06/01/2025	93,915.63	0.6151283x	57,770.16	1,142,182.60
12/01/2025	37,746.88	0.6015926x	22,708.24	1,164,890.84
06/01/2026	97,746.88	0.5883547x	57,509.84	1,222,400.68
12/01/2026	36,471.88	0.5754082x	20,986.22	1,243,386.90
06/01/2027	96,471.88	0.5627465x	54,289.21	1,297,676.11
12/01/2027	35,271.88	0.5503634x	19,412.35	1,317,088.46
06/01/2028	100,271.88	0.5382528x	53,971.62	1,371,060.09
12/01/2028	33,971.88	0.5264087x	17,883.09	1,388,943.18
06/01/2029	98,971.88	0.5148253x	50,953.22	1,439,896.41
12/01/2029	32,671.88	0.5034967x	16,450.18	1,456,346.59
06/01/2030	102,671.88	0.4924174x	50,557.42	1,506,904.01
12/01/2030	31,140.63	0.4815819x	14,996.76	1,521,900.77
06/01/2031	101,140.63	0.4709848x	47,635.70	1,569,536.48
12/01/2031	29,609.38	0.4606210x	13,638.70	1,583,175.18
06/01/2032	104,609.38	0.4504851x	47,124.97	1,630,300.15
12/01/2032	27,968.75	0.4405723x	12,322.26	1,642,622.40
06/01/2033	107,968.75	0.4308777x	46,521.32	1,689,143.73
12/01/2033	26,218.75	0.4213963x	11,048.49	1,700,192.21
06/01/2034	106,218.75	0.4121236x	43,775.26	1,743,967.47
12/01/2034	24,468.75	0.4030550x	9,862.25	1,753,829.72
06/01/2035	109,468.75	0.3941859x	43,151.03	1,796,980.76
12/01/2035	22,556.25	0.3855119x	8,695.70	1,805,676.46

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

**Proof Of Bond Yield @ 4.4999607%**

Part 2 of 2

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/01/2036	112,556.25	0.3770289x	42,436.95	1,848,113.41
12/01/2036	20,531.25	0.3687324x	7,570.54	1,855,683.95
06/01/2037	115,531.25	0.3606186x	41,662.72	1,897,346.67
12/01/2037	18,393.75	0.3526833x	6,487.17	1,903,833.84
06/01/2038	118,393.75	0.3449226x	40,836.68	1,944,670.52
12/01/2038	16,143.75	0.3373327x	5,445.81	1,950,116.33
06/01/2039	116,143.75	0.3299098x	38,316.96	1,988,433.29
12/01/2039	13,893.75	0.3226502x	4,482.82	1,992,916.11
06/01/2040	118,893.75	0.3155504x	37,516.97	2,030,433.08
12/01/2040	11,400.00	0.3086068x	3,518.12	2,033,951.20
06/01/2041	121,400.00	0.3018160x	36,640.46	2,070,591.66
12/01/2041	8,787.50	0.2951746x	2,593.85	2,073,185.51
06/01/2042	123,787.50	0.2886794x	35,734.90	2,108,920.41
12/01/2042	6,056.25	0.2823271x	1,709.84	2,110,630.26
06/01/2043	131,056.25	0.2761146x	36,186.54	2,146,816.80
12/01/2043	3,087.50	0.2700388x	833.74	2,147,650.54
06/01/2044	133,087.50	0.2640966x	35,147.96	2,182,798.50
<b>Total</b>	<b>\$4,016,279.15</b>	<b>-</b>	<b>\$2,182,798.50</b>	<b>-</b>

**Derivation Of Target Amount**

Par Amount of Bonds	\$2,200,000.00
Reoffering Premium or (Discount)	(17,201.50)
Original Issue Proceeds	\$2,182,798.50

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

## Proof of Premium Bond Yield Rule

Maturity Date	6/01/2026
Bond Type	Coupon

### PRICE SUMMARY

Price to Maturity	107.2550000%
Price to Call (6/01/2022)	105.1460000%
Lowest Price	105.1460000%

### CRITERIA 1

First Available Call Date	6/01/2022
Delivery Date	6/30/2014
Years to First Call	7.919 Years
Yield to Maturity	3.7115466%
Yield to Call	3.5000000%
Callable in 5 years and (YTM-YTC) gt/eq 0.125%	No

### CRITERIA 2

Original Issue Premium	5.1460000%
Integer Years to First Call	7.000 Years
25% * Years to Call	1.750 Years
OIP > 25% * Years to Call?	Yes

### CRITERIA 3

Stepped Coupon?	No
Price to Call Less than Price to Maturity?	Yes
Yield to Call Adjustment Necessary?	Yes

Final

**\$2,200,000**

City of St. Albans, West Virginia

Waterworks and Sewerage System Revenue Bonds

Series 2014A

## Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
06/30/2014	-	-	-	-	-
06/01/2015	35,000.00	100.000%	35,000.00	0.9194444x	32,180.56
06/01/2016	45,000.00	100.000%	45,000.00	1.9194444x	86,375.00
06/01/2017	45,000.00	100.000%	45,000.00	2.9194444x	131,375.00
06/01/2018	45,000.00	100.000%	45,000.00	3.9194444x	176,375.00
06/01/2019	45,000.00	100.000%	45,000.00	4.9194444x	221,375.00
06/01/2020	45,000.00	103.499%	46,574.55	5.9194444x	275,695.46
06/01/2021	50,000.00	103.499%	51,749.50	6.9194444x	358,077.79
06/01/2022	50,000.00	103.499%	51,749.50	7.9194444x	409,827.29
06/01/2023	50,000.00	105.146%	52,573.00	8.9194444x	468,921.95
06/01/2024	55,000.00	105.146%	57,830.30	9.9194444x	573,644.45
06/01/2025	55,000.00	105.146%	57,830.30	10.9194444x	631,474.75
06/01/2026	60,000.00	105.146%	63,087.60	11.9194444x	751,969.14
06/01/2027	60,000.00	100.000%	60,000.00	12.9194444x	775,166.67
06/01/2028	65,000.00	100.000%	65,000.00	13.9194444x	904,763.89
06/01/2029	65,000.00	100.000%	65,000.00	14.9194444x	969,763.89
06/01/2030	70,000.00	98.363%	68,854.10	15.9194444x	1,096,119.02
06/01/2031	70,000.00	98.363%	68,854.10	16.9194444x	1,164,973.12
06/01/2032	75,000.00	98.363%	73,772.25	17.9194444x	1,321,957.74
06/01/2033	80,000.00	98.363%	78,690.40	18.9194444x	1,488,778.65
06/01/2034	80,000.00	98.363%	78,690.40	19.9194444x	1,567,469.05
06/01/2035	85,000.00	97.078%	82,516.30	20.9194444x	1,726,195.15
06/01/2036	90,000.00	97.078%	87,370.20	21.9194444x	1,915,106.25
06/01/2037	95,000.00	97.078%	92,224.10	22.9194444x	2,113,725.14
06/01/2038	100,000.00	97.078%	97,078.00	23.9194444x	2,322,051.83
06/01/2039	100,000.00	97.078%	97,078.00	24.9194444x	2,419,129.83
06/01/2040	105,000.00	97.654%	102,536.70	25.9194444x	2,657,694.30
06/01/2041	110,000.00	97.654%	107,419.40	26.9194444x	2,891,670.57
06/01/2042	115,000.00	97.654%	112,302.10	27.9194444x	3,135,412.24
06/01/2043	125,000.00	97.654%	122,067.50	28.9194444x	3,530,124.28
06/01/2044	130,000.00	97.654%	126,950.20	29.9194444x	3,798,279.46
<b>Total</b>	<b>\$2,200,000.00</b>	<b>-</b>	<b>\$2,182,798.50</b>	<b>-</b>	<b>\$39,915,672.45</b>

### IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	18.286 Years
Total Interest from Debt Service	1,816,279.15
Reoffering (Premium) or Discount	17,201.50
Total Interest	1,833,480.65
NIC = Interest / (Issue Price * Average Maturity)	4.5933853%
Bond Yield for Arbitrage Purposes	4.4999607%

St Albans (Final) | New \$ | 6/24/2014 | 11:15 AM

**Crews & Associates, Inc.**  
Capital Markets Group