CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program)

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State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

PRECLOSING ATTENDANCE LIST

Date Feb 23, 2011 Time 1 pm LGA ~~[illegible]~~ City of Wellsburg Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
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The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Mark Henne, City Mgr Telephone 304.737.2104 E-Mail markhennecitymgr@comcast.net

Address 70 Seventh Street, Wellsburg WV 26070

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

CITY OF WELLSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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CITY OF WELLSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF WELLSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF WELLSBURG OF NOT MORE THAN $350,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of construction of new sanitary sewers to separate storm water from a portion of the existing wastewater collection system (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions,

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

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in the total aggregate principal amount of not more than $350,000 in one or more series, initially planned to be the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program) (the "Series 2011 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2011 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2011 A Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2011 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2011 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2011 A Bonds be sold to the Authority pursuant to the terms and provisions of a Bond Purchase Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2011 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Refunding Bonds, Series 1993 (United National Bank), dated November 19, 1993, issued in the original aggregate principal amount of $740,000 (the "Series 1993 Refunding Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia SRF Program), dated November 19, 1993, issued in the original aggregate principal amount of $1,185,374 (the "Series 1993 Bonds"); and (3) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated October 27, 2010, issued in the original aggregate principal amount of $215,000 (the "Series 2010 A Bonds"). The

Series 1993 Refunding Bonds, the Series 1993 Bonds and the Series 2010 A Bonds are herein collectively called the "Prior Bonds."

The Series 2011 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2011 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds is met; and (ii) the written consent of the Holders of the Series 1993 Bonds and Series 2010 A Bonds to the issuance of the Series 2011 A Bonds on a parity with the Prior Bonds. The Series 1993 Refunding 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.

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

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2011 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia.

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

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

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2011 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2011 A Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

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

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

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

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

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Burgess & Niple, Limited, Parkersburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the

Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the functions of the DEP.

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

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

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

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

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2011 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2011 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2011 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

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

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

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

"Prior Bonds" means, collectively, the Series 1993 Refunding Bonds, the Series 1993 Bonds and the Series 2010 A Bonds.

"Prior Ordinance" means the ordinances of the Issuer authorizing the issuance of the Prior Bonds.

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

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

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

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

"Series 1993 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia SRF Program) dated November 19, 1993, issued in the original aggregate principal amount of $1,185,374.

"Series 1993 Refunding Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Refunding Bonds, Series 1993 (United National Bank), dated November 19, 1993, issued in the original aggregate principal amount of $740,000.

"Series 2010 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated October 27, 2010, issued in the original aggregate principal amount of $215,000.

"Series 2011 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

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

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

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

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

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

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement for the Series 2011 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

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

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

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $1,235,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2011 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $1,235,000, of which not more than $350,000 will be obtained from proceeds of the Series 2011 A Bonds, $485,000 will be obtained from a Special Appropriations Program Grant and $450,000 will be obtained from a Brooke County Public Service District grant.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2011 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2011 A Bonds of the Issuer. The Series 2011 A Bonds shall be as a single bond, designated as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program)", in the principal amount of not more than $350,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2011 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2011 A Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

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

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

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

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

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

In all cases in which the privilege of exchanging or transferring the registered Series 2011 A Bonds are exercised, all Series 2011 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2011 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2011 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2011 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2011 A Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2011 A Bonds shall be secured by a first lien on the Net Revenues derived from the operations of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2011 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

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

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

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

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

D. An executed copy of the Bond Purchase Agreement; and

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

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

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2011 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WELLSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

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

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority and the DEP dated _____, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2011, and a Supplemental Resolution duly

adopted by the Issuer on _____, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 1993 (UNITED NATIONAL BANK), DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $740,000 (THE "SERIES 1993 REFUNDING BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,185,374 (THE "SERIES 1993 BONDS"), AND (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 27, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $215,000 (THE "SERIES 2010 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2011.

HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20_____.

_____

In the presence of:

_____

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

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2011 A Bonds, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Series 2011 A Bonds Construction Trust Fund.

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

(1) Series 1993 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 1993 Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 1993 Refunding Bonds Sinking Fund (established by the Prior Ordinances);

(4) Series 1993 Refunding Bonds Reserve Account (established by the Prior Ordinances);

(5) Series 2010 a Bonds Sinking Fund (established by the Prior Ordinances);

(6) Series 2010 A Bonds Reserve Account (established by the Prior Ordinances);

(7) Series 2011 A Bonds Sinking Fund; and

(8) Series 2011 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission the amount required by the Prior Ordinances for payment of interest on the Prior Bonds.

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

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

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

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

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

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

As and when additional Bonds ranking on a parity with the Series 2011 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay

the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2011 A Bonds Sinking Fund or the Series 2011 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2011 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2011 A Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2011 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Bond Purchase Agreement for the Series 2011 A Bonds.

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

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

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

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

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

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

J. All Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

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

A. From the proceeds of the Series 2011 A Bonds, there shall first be deposited with the Commission in the Series 2011 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

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

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

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

Section 6.02. Disbursements of Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2011 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2011 A Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2011 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, in compliance with the construction schedule.

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2011 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2011 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2011 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

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

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2011 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. 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 2011 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted on June 8, 2010 and the sewer rate ordinance of the Issuer enacted September 14, 2010 which rates are incorporated herein by reference as a part hereof.

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

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

So long as the Series 2011 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2011 A Bonds Sinking Fund, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2011 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

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

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2011 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP under the conditions and in the manner herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2011 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 2011 A Bonds issued pursuant hereto, or both such purposes.

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

(1) The Bonds then Outstanding;

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

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

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

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2011 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2011 A Bonds.

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

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

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

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

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

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

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2011 A Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2011 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and Bond Purchase Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Bond Purchase Agreement for the Series 2011 A Bonds or any Exhibit thereto or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2011 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to

produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are outstanding and thereafter, (i) to provide for all Operating Expenses of the System; and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2011 A Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2011 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2011 A Bonds.

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

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

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a

"Monthly Financial Report," a form of which is attached to the Bond Purchase Agreement, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement for the Series 2011 A Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Bond Purchase Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps,

actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds.

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all

subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

the Issuer shall verify such insurance prior to commencement of construction. In the event the Bond Purchase Agreement so require, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. 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 water borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20 day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2011 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(I) and the Issuer shall supply an opinion of counsel to such effect.

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

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

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

Section 7.19. [RESERVED}.

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

Section 7.21. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2011 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

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

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2011 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2011 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2011 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2011 A Bonds from gross income for federal income tax purposes.

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

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

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2011 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2011 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2011 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2011 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2011 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2011 A Bonds, no material modification or

amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2011 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2011 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2011 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2011 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2011 A Bonds from gross income of the holders thereof.

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

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

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Brooke County Review*, a newspaper of general circulation in the City of Wellsburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2011 A

Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

Passed on First Reading:	December 14, 2010
Passed on Second Reading:	January 11, 2011
Passed on Final Reading Following Public Hearing:	February 8, 2011

Sue Simonetti
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the CITY OF WELLSBURG on the 8th day of February, 2011.

Dated: February 24, 2011.

[SEAL]

Mary M Blum
City Clerk

EXHIBIT A

Bond Purchase Agreement included in bond transcript as Document 3

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF WELLSBURG; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of the City of Wellsburg (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective February 8, 2011 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF WELLSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF WELLSBURG OF NOT MORE THAN $350,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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

WHEREAS, the Series 2011 A Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2011 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2011 A Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of $307,661. The Series 2011 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2050, and shall bear no interest. The principal of the Series 2011 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012, to and including March 1, 2050, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2011 A Bonds and incorporated in and made a part of the Series 2011 A Bonds. The Series 2011 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2011 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2011 A Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 2. All other provisions relating to the Series 2011 A Bonds and the text of the Series 2011 A Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the applications to the DEP and the Authority. The price of the Series 2011 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2011 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2011 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2011 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal

Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2011 A Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate Main Street Bank, Wheeling, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2011 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2011 A Bonds Reserve Account.

Section 8. The balance of the proceeds of the Series 2011 A Bonds shall be deposited in or credited to the Series 2011 A Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2011 A Bonds and related costs.

Section 9. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2011 A Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2011 A Bonds may be delivered on or about February 24, 2011, to the Authority pursuant to the Bond Purchase Agreement.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2011 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Sinking Funds and the Reserve Accounts for the Series 2011 A Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 8th day of February, 2011.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Wellsburg on the 8th day of February, 2011.

Dated: February 24, 2011.

[SEAL]

Mary M Blum
City Clerk

02.02.11
952630.00004

5508085

SRF-BPA-1
(01/11)

BOND PURCHASE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND BOND PURCHASE AGREEMENT (the "Bond Purchase Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

CITY OF WELLSBURG (2008S-1023)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to acquire bonds of particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to purchase the bonds of local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for Purchase of Bonds with attachments and exhibits and an Amended Application for Purchase of Bonds also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program; and

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.4 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Bond Purchase Agreement.

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

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

1.7 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.8 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other

interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.9 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations, as amended.

1.10 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.11 Additional terms and phrases are defined in this Bond Purchase Agreement as they are used.

ARTICLE II

The Project and the System

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

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

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

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local

Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their

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

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

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

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial

Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to the DEP and the Authority.

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Local Bonds will be expended and the procedures as to the disbursement of bond proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Bond Purchase Agreement;

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

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

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

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

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited [illegible] notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and

acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Bond Purchase Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

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

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other

local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements, established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to purchase the Local Bonds, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any

amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits

or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

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

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required

for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any service which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit

F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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

4.2 The Local Bonds shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to purchase the Local Bonds shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to purchase the Local Bonds.

ARTICLE V

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

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

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

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Bond Purchase Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Bond Purchase Agreement.

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Local Bonds.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or

desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

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

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

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

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

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

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

7.5 This Bond Purchase Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Local Bonds and constitutes the entire agreement between the parties hereto in respect thereof.

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

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

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

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

CITY OF WELLSBURG

(SEAL)

By: Sue Simonetti
Its: Mayor
Date: February 24, 2011

Attest:

Mary M Blum
Its: ~~Recorder~~ City Clerk

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: Scott G. Mandirola
Its: Director
Date: February 24, 2011

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: [signature]
Its: Executive Director
Date: February 24, 2011

Attest:

Carol A. Cummings
Its: Authorized Officer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government _____
Name of Bond Issue(s) _____
Type of Project _____ **Water** _____ **Wastewater**
Fiscal Year _____ **Report Month** _____

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

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

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

forth in Schedule attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

_____

By _____
West Virginia License No. __

[SEAL]

---

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

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

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) – Effective October 1, 2003, the Local Government that receives $500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. ASSET MANAGEMENT – The Local Government shall submit an acceptable asset management plan to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

D. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

E. CLOSING REQUIREMENTS – [Reserved].

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated ____, ___, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, ___ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending __ 1, _____, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Local Bonds.

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____

(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase Agreement.

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

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

2. The Bond Purchase Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $307,661
Purchase Price of Local Bonds $307,661

The Local Bonds shall bear no interest. Commencing June 1, 2012, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government:

(1) City of Wellsburg Combined Waterworks and Sewerage System Revenue Refunding Bonds, Series 1993 (United National Bank), dated November 10, 1993, issued in the original aggregate principal amount of $740,000;

(2) City of Wellsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia SRF Program), dated November 19, 1993, issued in the original aggregate principal amount of $1,185,374; and

(3) City of Wellsburg Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program9, dated October 27, 2010, issued in the original aggregate principal amount of $215,000.

Number of New Customers: 0
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

BOND DEBT SERVICE
City of Wellsburg
CW SRF
$307,661
0% Interest Rate, 0.5% Administrative Fee
38 Years

Dated Date	2/24/11
Delivery Date	2/24/11

Period Ending	Principal	Interest	Debt Service
6/1/12	2,025		2,025
9/1/12	2,025		2,025
12/1/12	2,025		2,025
3/1/13	2,025		2,025
6/1/13	2,025		2,025
9/1/13	2,025		2,025
12/1/13	2,025		2,025
3/1/14	2,025		2,025
6/1/14	2,025		2,025
9/1/14	2,025		2,025
12/1/14	2,025		2,025
3/1/15	2,025		2,025
6/1/15	2,024		2,024
9/1/15	2,024		2,024
12/1/15	2,024		2,024
3/1/16	2,024		2,024
6/1/16	2,024		2,024
9/1/16	2,024		2,024
12/1/16	2,024		2,024
3/1/17	2,024		2,024
6/1/17	2,024		2,024
9/1/17	2,024		2,024
12/1/17	2,024		2,024
3/1/18	2,024		2,024
6/1/18	2,024		2,024
9/1/18	2,024		2,024
12/1/18	2,024		2,024
3/1/19	2,024		2,024
6/1/19	2,024		2,024
9/1/19	2,024		2,024
12/1/19	2,024		2,024
3/1/20	2,024		2,024
6/1/20	2,024		2,024
9/1/20	2,024		2,024
12/1/20	2,024		2,024
3/1/21	2,024		2,024
6/1/21	2,024		2,024
9/1/21	2,024		2,024
12/1/21	2,024		2,024
3/1/22	2,024		2,024

BOND DEBT SERVICE

City of Wellsburg

Period Ending	Principal	Interest	Debt Service
6/1/22	2,024		2,024
9/1/22	2,024		2,024
12/1/22	2,024		2,024
3/1/23	2,024		2,024
6/1/23	2,024		2,024
9/1/23	2,024		2,024
12/1/23	2,024		2,024
3/1/24	2,024		2,024
6/1/24	2,024		2,024
9/1/24	2,024		2,024
12/1/24	2,024		2,024
3/1/25	2,024		2,024
6/1/25	2,024		2,024
9/1/25	2,024		2,024
12/1/25	2,024		2,024
3/1/26	2,024		2,024
6/1/26	2,024		2,024
9/1/26	2,024		2,024
12/1/26	2,024		2,024
3/1/27	2,024		2,024
6/1/27	2,024		2,024
9/1/27	2,024		2,024
12/1/27	2,024		2,024
3/1/28	2,024		2,024
6/1/28	2,024		2,024
9/1/28	2,024		2,024
12/1/28	2,024		2,024
3/1/29	2,024		2,024
6/1/29	2,024		2,024
9/1/29	2,024		2,024
12/1/29	2,024		2,024
3/1/30	2,024		2,024
6/1/30	2,024		2,024
9/1/30	2,024		2,024
12/1/30	2,024		2,024
3/1/31	2,024		2,024
6/1/31	2,024		2,024
9/1/31	2,024		2,024
12/1/31	2,024		2,024
3/1/32	2,024		2,024
6/1/32	2,024		2,024
9/1/32	2,024		2,024
12/1/32	2,024		2,024
3/1/33	2,024		2,024
6/1/33	2,024		2,024
9/1/33	2,024		2,024

BOND DEBT SERVICE

City of Wellsburg

CW SRF

$307,661

0% Interest Rate, 0.5% Administrative Fee

38 Years

Period Ending	Principal	Interest	Debt Service
12/1/33	2,024		2,024
3/1/34	2,024		2,024
6/1/34	2,024		2,024
9/1/34	2,024		2,024
12/1/34	2,024		2,024
3/1/35	2,024		2,024
6/1/35	2,024		2,024
9/1/35	2,024		2,024
12/1/35	2,024		2,024
3/1/36	2,024		2,024
6/1/36	2,024		2,024
9/1/36	2,024		2,024
12/1/36	2,024		2,024
3/1/37	2,024		2,024
6/1/37	2,024		2,024
9/1/37	2,024		2,024
12/1/37	2,024		2,024
3/1/38	2,024		2,024
6/1/38	2,024		2,024
9/1/38	2,024		2,024
12/1/38	2,024		2,024
3/1/39	2,024		2,024
6/1/39	2,024		2,024
9/1/39	2,024		2,024
12/1/39	2,024		2,024
3/1/40	2,024		2,024
6/1/40	2,024		2,024
9/1/40	2,024		2,024
12/1/40	2,024		2,024
3/1/41	2,024		2,024
6/1/41	2,024		2,024
9/1/41	2,024		2,024
12/1/41	2,024		2,024
3/1/42	2,024		2,024
6/1/42	2,024		2,024
9/1/42	2,024		2,024
12/1/42	2,024		2,024
3/1/43	2,024		2,024
9/1/43	2,024		2,024
12/1/43	2,024		2,024
3/1/44	2,024		2,024

BOND DEBT SERVICE

City of Wellsburg

Period Ending	Principal	Interest	Debt Service
6/1/44	2,024		2,024
9/1/44	2,024		2,024
12/1/44	2,024		2,024
3/1/45	2,024		2,024
6/1/45	2,024		2,024
9/1/45	2,024		2,024
12/1/45	2,024		2,024
3/1/46	2,024		2,024
6/1/46	2,024		2,024
9/1/46	2,024		2,024
12/1/46	2,024		2,024
3/1/47	2,024		2,024
6/1/47	2,024		2,024
9/1/47	2,024		2,024
12/1/47	2,024		2,024
3/1/48	2,024		2,024
6/1/48	2,024		2,024
9/1/48	2,024		2,024
12/1/48	2,024		2,024
3/1/49	2,024		2,024
6/1/49	2,024		2,024
9/1/49	2,024		2,024
12/1/49	2,024		2,024
3/1/50	2,025		2,025 **
	307,661		**307,661**

**Plus a quarterly administrative expense of $193.55 to reflect a total Administrative expense of $29,419.60

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information
(304) 353-8196 – Telephone
(304) 353-8180 – Facsimile
John.stump@steptoe-johnson.com

February 8, 2011

Via Hand Delivery 02:09 PM FEB 08 11 PSC EXEC SEC DIV

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

Case No.: 10-1520-S-CN

CITY OF WELLSBURG

Application for a certificate of convenience and necessity to construct new sanitary sewers to separate storm water from a portion of the existing wastewater collection system.

Dear Ms. Squire:

Enclosed herein for filing on behalf of the City of Wellsburg, please find a revised affidavit by the City's certified public accountant.

Please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, I ask that you date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8196.

Best Regards,

John C. Stump
(W. V. State Bar No. 6385)

Enclosures

952630.00004

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 10-1520-S-CN

CITY OF WELLSBURG

02:09 PM FEB 08 11 PSC EXEC SEC DIV

Application for a certificate of convenience and necessity to construct new sanitary sewers to separate storm water from a portion of the existing wastewater collection system.

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO-WIT:

AFFIDAVIT

I, Michael D. Griffith, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 10-1520-S-CN dated January 5, 2011 approving funding consisting of a (i) $173,250 loan with 0% interest and a 0.5% administrative fee for a term of 30 years from the West Virginia Department of Environmental Protection, Clean Water State Revolving Fund, (ii) a $485,000 grant from the United States Environmental Protection Agency, and (iii) a $450,000 contribution from the Brooke County Public Service District, and based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges (a) are not affected by the revised funding consisting of (i) $307,661 loan with 0% interest and a 0.5% administrative fee for a term of 38 years from the West Virginia Department of Environmental Protection, Clean Water State Revolving Fund, (ii) a $485,700 grant from the United States Environmental Protection Agency, and (iii) a $450,000 contribution from the Brooke County Public Service District, and (b) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 3rd day of February, 2011

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 3rd day of February, 2011.

My commission expires April 26, 2014.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Dreama Kingrey
Notary Public

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

1/25/2011

Entered: January 5, 2011

CASE NO. 10-1520-S-CN

CITY OF WELLSBURG

Application for a certificate of convenience and necessity to construct new sanitary sewers to separate storm water from a portion of the existing wastewater collection system.

RECOMMENDED DECISION

On September 29, 2010, the City of Wellsburg (Wellsburg), a municipally operated public sewer utility, filed an application with the Public Service Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to construct new sanitary sewer lines to separate storm water from a portion of the existing wastewater collection system. The West Virginia Infrastructure and Jobs Development Council (IJDC) has approved the project. Wellsburg estimated that the project would cost approximately $1,108,250, to be funded by a $173,250 loan from the West Virginia Department of Environmental Protection (DEP), Clean Water State Revolving Fund (SRF); a $485,000 grant from the United States Environmental Protection Agency (EPA); and a $450,000 contribution from the Brooke County Public Service District (District). Wellsburg adopted a rate ordinance on September 24, 2010, to cover existing operation and maintenance (O&M) expenses and debt service and to cover increased O&M expenses and additional debt service related to the project. As of September 29, 2010, the rate ordinance was not final.

By the Commission Order entered on October 1, 2010, as corrected on October 4, 2010, the Commission required that Wellsburg publish the Notice of Filing attached to that Order once in a newspaper duly qualified under *Code* §59-3-1 *et seq.*, published and generally circulated in Brooke County, providing a 30-day protest period. The October 1, 2010 Order also required that, within 30 days of the Order, Wellsburg serve a copy of the Notice of Filing on each of its customers by United States Certified Mail, return receipt requested, and file an affidavit showing compliance with these notice requirements, including a publication affidavit. The October 1, 2010 Order also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. On October 15, 2010, Wellsburg filed the proper affidavits showing compliance with the notice requirements, including a publication affidavit showing that the Notice of Filing was published on

October 8, 2010, in the *Brooke County Review*, a newspaper published and generally circulated in Brooke County.

The matter is unprotested.

By the Referral Order entered on October 14, 2010, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before February 11, 2011, if substantial protest was not filed, or by March 21, 2011, if the matter was substantially protested.

On November 4, 2010, Staff Attorney Chris Howard submitted the Initial Joint Staff Memorandum, attaching the November 3, 2010 Utilities and Engineering Divisions Initial Memorandum from Utilities Analyst Karen L. Buckley, Utilities Division, and from Engineering Technician John Mottesheard, Engineering Division, indicating that, once it had completed its investigation, Commission Staff would submit a final substantive recommendation. Commission Staff related that some of the information contained in Wellsburg's application was either incorrect or incomplete and requested that Wellsburg furnish Staff with correct and complete information, including a revised Rule 42 Exhibit, before Staff could make a substantive recommendation. Staff also indicated that Wellsburg must file a funding commitment letter from the SRF and a confirmation letter from the District with regard to its contribution toward funding the project.

On November 9, 2010, Wellsburg submitted a revised Rule 42 Exhibit and other documentation in response to Staff's request.

On November 12, 2010, Wellsburg filed a commitment letter from the SRF indicating its commitment to provide a $173,250 loan to Wellsburg at a 0% interest and a 0.5% administrative fee for a term of 30 years, conditioned upon the average sewer bill for 4,000 gallons water usage being greater than $34.12, which is 1.5% of the median household income for the service area. The commitment would expire on May 8, 2011, if Wellsburg's bonds have not been issued by that time.

By Procedural Order issued on November 23, 2010, the ALJ adopted a procedural schedule to process and resolve this matter, including a Thursday, January 13, 2011 hearing date.

On December 22, 2010, Staff Attorney Chris Howard filed the Final Joint Staff Memorandum, attaching the December 21, 2010 Utilities and Engineering Divisions Final Memorandum from Ms. Buckley and Mr. Mottesheard. Together, these Memoranda comprise Commission Staff's final substantive recommendation. Staff reported that Wellsburg serves approximately 1,475 customers. The project will eliminate three overflows into the Ohio River at 25th, 26th and 27th Streets, which will free up capacity at Wellsburg's treatment facility and allow the District to tie a portion of its wastewater collection system into Wellsburg's system for transportation to Wellsburg's treatment facility. The District will send approximately 200,000 gallons of wastewater per day to Wellsburg's treatment facility. Also, due to population decline and the loss of a large usage customer, Wellsburg has experienced a 350,000 gallons per day decrease in its sewage flow. The project, which will reduce the potential for health hazards to the public and improve the water quality of the river, will

enable Wellsburg to comply with DEP and public health standards. The engineering cost for the project is approximately 29% of the total project cost of $1,189,000, which is somewhat high. The construction should cost approximately $843,000, although bids have not been submitted. The projected cost is approximately $2,250 less than secured funding, unless Wellsburg includes the 25th Street portion of the project, which would cause the funding to be approximately $80,750 less than the project cost. Wellsburg has secured most, but not all, of the required permits from governmental agencies. The engineering plans and specifications do not conflict with Commission standards.

Commission Staff related that the project has been approved by the IJDC and will be funded with a $173,250 SRF loan with 0% interest and 0.5% administrative fee for a 30-year term; a $485,000 EPA grant; and a $450,000 contribution from the District. The project will increase Wellsburg's operation and maintenance (O&M) expenses by approximately $19,271. Wellsburg passed a municipal rate ordinance in October 2010 that would cover post-project O&M expenses and provide a 228.12% debt service coverage ratio and a $159,054 cash surplus, of which $20,954 from the renewal and replacement reserve and approximately $138,100 is cash surplus. Staff opined that the surplus will cover ordinary capital additions. Staff recommended that the Commission grant the application, without approving the plans and specifications and contingent upon Wellsburg receiving all required permits, and approve the funding. However, if the project bids do not come in under budget, Wellsburg would need to obtain additional funding and obtain separate Commission approval prior to commencing construction.

Also on December 22, 2010, the Executive Secretary served Wellsburg with a copy of Commission Staff's final substantive recommendation, granting Wellsburg 10 days within which to respond, in writing, and notifying Wellsburg that, if it did not file a written response, the Commission may enter a final order based on the information contained in the Commission's file without further notice or hearing.

Wellsburg did not respond to Staff's final substantive recommendation.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, as evidenced by Wellsburg's failure to respond to Staff's final recommendation, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing. By a separate Order issued simultaneously herewith, the ALJ has canceled the hearing scheduled to convene on January 13, 2011.

The ALJ holds that, since Wellsburg gave proper notice to the public of the application; since the project will eliminate three overflows into the Ohio River, which will enable the District to connect to Wellsburg's system to transport its sewage for treatment; the engineering plans and specifications do not conflict with Commission standards; and since Staff has recommended that the Commission approve the application without specifically approving the plans and specifications and

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

FINDINGS OF FACT

1. The City of Wellsburg filed an application with the Public Service Commission under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to construct new sanitary sewer lines to separate storm water from a portion of the existing wastewater collection system and permit the District to connect its extension to Wellsburg's lines for treatment of its sewage. (See, application filed September 29, 2010).

2. The IJDC has approved the project. Wellsburg estimated that the project would cost approximately $1,108,250, to be funded by a DEP $173,250 loan. (See, application filed September 29, 2010).

3. Wellsburg filed the proper affidavits showing compliance with the notice requirements, including a publication affidavit showing that the Notice of Filing was published on October 8, 2010, in the *Brooke County Review*, a newspaper published and generally circulated in Brooke County. (See, October 15, 2010 filing).

4. The matter is unprotested. (See, Commission's file).

5. Wellsburg filed a commitment letter from the SRF indicating its commitment to provide a $173,250 loan to Wellsburg at a 0% interest and a 0.5% administrative fee for a term of 30 years, conditioned upon the average sewer bill for 4,000 gallons water usage being greater than $34.12, which is 1.5% of the median household income for the service area. The commitment would expire on May 8, 2011, if Wellsburg's bonds have not been issued by that time. (See, November 12, 2010 filing).

6. Wellsburg serves approximately 1,475 customers. The project will eliminate three overflows into the Ohio River at 25th, 26th and 27th Streets, which will free up capacity at Wellsburg's treatment facility and allow the District to tie a portion of its wastewater collection system into Wellsburg's system for transportation to Wellsburg's treatment facility. The District will send approximately 200,000 gallons of wastewater per day to Wellsburg's treatment facility. Also, due to population decline and the loss of a large usage customer, Wellsburg has experienced a 350,000

gallons per day decrease in its sewage flow. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

7. The project, which will reduce the potential for health hazards to the public and improve the water quality of the river, will enable Wellsburg to comply with DEP and public health standards. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

8. The engineering cost for the project of approximately 29% of the total project cost of $1,189,000 is somewhat high. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

9. The construction should cost approximately $843,000, although bids have not been submitted. The projected cost is approximately $2,250 less than secured funding, unless Wellsburg includes the 25th Street portion of the project, which would cause the funding to be approximately $80,750 less than the project cost. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

10. Wellsburg has secured most, but not all, of the required permits from governmental agencies. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

11. The engineering plans and specifications do not conflict with Commission standards. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

12. The project will increase Wellsburg's O&M expenses by approximately $19,271. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

13. Wellsburg passed a municipal rate ordinance in October 2010 that would cover post-project O&M expenses and provide a 228.12% debt service coverage ratio and a $159,054 cash surplus, of which $20,954 from the renewal and replacement reserve and approximately $138,100 is cash surplus. Staff opined that the surplus will cover ordinary capital additions. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

14. Commission Staff recommended that the Commission grant the application, without approving the plans and specifications and contingent upon Wellsburg receiving all required permits, and approve the funding. However, if the project bids do not come in under budget, Wellsburg would need to obtain additional funding and obtain separate Commission approval prior to commencing construction. (See, Final Joint Staff Memorandum, with attachments, filed on December 22, 2010).

15. The Executive Secretary served Wellsburg with a copy of Commission Staff's final substantive recommendation, granting Wellsburg 10 days within which to respond, in writing, and notifying Wellsburg that, if it did not file a written response, the Commission may enter a final order based on the information contained in the Commission's file without further notice or hearing. (See, December 22, 2010 letter).

16. Wellsburg did not respond to Staff's final substantive recommendation. (See, Commission's file).

CONCLUSIONS OF LAW

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

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

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

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

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on September 29, 2010, by the City of Wellsburg, pursuant to *West Virginia Code* §24-2-11, to construct new sanitary sewer lines to separate storm water from a portion of the existing wastewater collection system and permit Brooke County Public Service District to connect its extension to Wellsburg's lines for treatment of its sewage be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a $173,250 loan with 0% interest and a 0.5% administrative fee for a term of 30 years from the West Virginia Department of Environmental Protection, Clean Water State Revolving Fund; a $485,000 grant from the United States Environmental Protection Agency; and a $450,000 contribution from the Brooke County Public Service District, be, and hereby is, approved.

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

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

IT IS FURTHER ORDERED that the City of Wellsburg notify the Commission when the project engineer has performed the substantial completion inspection and file certificates of substantial completion for each contract associated with the project as soon as they become available.

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

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

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

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

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

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

Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
101520ab.wpd

PUBLIC SERVICE COMMISSION OF
WEST VIRGINIA CHARLESTON
CASE NO: 10-1520S-CN
CITY OF WELLSBURG

Application for a Certificate of Convenience and Necessity to construct new sanitary sewer lines to separate storm water from a portion of the existing wastewater collection system.

NOTICE OF FILING

On September 29, 2010, the City of Wellsburg (City) filed a verified application for a certificate of convenience and necessity to construct new sanitary sewer lines to separate storm water from a portion of the existing wastewater collection system.

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

The purpose of the project is to separate storm water from a portion of the existing wastewater collection system located in the areas of 25th and 27th Streets. Specifically, the project involves the construction of new sanitary sewers at the following locations:

1. Approximately 1,090 feet of 8-inch sanitary sewer in 26th Street, between Marianna Street and State Route 2.

2. Approximately 1,420 feet of 10-inch sanitary seer in 27th Street, between the Ohio River and State Route 2.

Pending receipt of bids for the construction of the above improvements, and contingent upon sufficient funding being available for its construction without affecting the sewer rates approved by the City of Wellsburg (Sewer Ordinance adopted on September 14, 2010) approximately 330 feet of 8-inch sanitary sewer in 25th Street between Marianna Street and Charles Street, will be added to this project.

The City estimates that construction will cost approximately $1,106,000.00, which does not include the additional work located on 25th Street. It is proposed that the construction will be financed as follows: WVDEP State Revolving Fund in the amount of $173,250.00; USEPA Special Appropriations Program Grant in the amount of $485,000.00; and, a contribution from Brooke County Public Service District in the amount of $450,000.00.

The utility does not seek a rate increase in connection with this filing. On September 14, 2010, the City adopted a Sewer Ordinance increasing its sewer rates and charges, not related to the project. The increase is filed with Public Service Commission within thirty (30) days of the Ordinance's adoption. The rates enacted by the September 14, 2010 Ordinance are as follows:

First 2,000 gallons used per month $ 10.70
per 1,000 gallons
Next 3,000 gallons used per month $ 10.01
per 1,000 gallons
Next 10,000 gallons used per month $ 9.32
per 1,000 gallons
Next 10,000 gallons used per month $7.92
per 1,000 gallons
Next 25,000 gallons used per month $ 6.22
per 1,000 gallons
Next 50,000 gallons used per month $ 4.49
per 1,000 gallons
All Over 100,000 gallons used per month $
1.80 per 1,000 gallons.

Minimum Monthly Bill for 2000 gallons $
11.40 per month

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Connection Charge

Prior to construction-$300.00

After construction-passes the premises to be service, charge for connection to system-$300.00.

The City has one resale customer, Brooke County Public Service District.

Anyone desiring to protest or intervene should file a written protest or request to intervene within thirty (30) days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or request to intervene can affect your right to protest aspects of this certificate case or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or request to intervene. Requests to intervene must comply with the rules on intervention set forth in the Commission's Rules of Practice and Procedure.

All protests and requests to intervene should be addressed to Sandra Squire. In the absence of substantial protest received within thirty (30) days of this publication, the Commission may waive formal hearing and grant the application based on the Commission's review of the evidence submitted with the application.

CITY OF WELLSBURG

CERTIFICATE OF PUBLICATION

The Brooke County Review

Brooke County

Wellsburg, West Virginia

I, J.W. George Wallace, publisher of the Brooke County Review, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby Certify that the attached advertisement was duly published in said Newspaper for 1 successive week(s) in the issues of Oct. 8 2010

Given under my hand this 8th day of Oct, 2010.

Publisher of the Brooke County Review

Printer's Fee $ 180.52

Subscribed and sworn to this 8th day of Oct., 2010.

Kristine J. Roberts

My commission expires October 10, 2018.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KRISTINE J. ROBERTS
120 Whitehall Place
Follansbee, West Virginia 26037
My Commission Expires Oct. 10, 2018

West Virginia Infrastructure & Jobs Development Council

ic Members:
neth Lowe, Jr.
Shepherdstown
wight Calhoun
Petersburg
Dave McComas
Prichard
Ron Justice
Morgantown

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

September 4, 2008

The Honorable Wayne Campbell
Mayor, City of Wellsburg
70 7th Street
Wellsburg, West Virginia 26070

Re: City of Wellsburg
Sewer Project 2008S-1023

Dear Mayor Campbell:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Wellsburg's (the "City") revised preliminary application regarding its proposed project to separate the existing combined sewers that are located within the area between 25th and 27th Streets, Pleasant Avenue and the Ohio River, to allow Brooke County Public Service District to bring flow to the City (the "Project").

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

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the City utilize a $485,000 Special Appropriations grant, a $450,000 Brooke County Public Service District aid and pursue a $173,250 Clean Water State Revolving Fund loan to fund this $1,108,250 project. Please contact the West Virginia Division of Environmental Protection office at (304) 926-0499 X1611 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact Jeff Brady at (304) 558-4607.

Sincerely,

Kenneth Lowe, Jr.

cc: Mike Johnson, P.E., DEP (w/o enclosure) (via e-mail)
Brooke County PSD
Region XI Planning & Development Council
Alanna Slack, P.E., Burgess & Niple, Inc.

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 24th day of February, 2011, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Wellsburg (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, in the principal amount of $307,661, numbered AR-1 (the "Series 2011 A Bonds"), issued as a single, fully registered Bond, dated February 24, 2011.

2. At the time of such receipt, all the Series 2011 A Bonds had been executed by the Mayor and the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2011 A Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2011 A Bonds, of $17,160, being a portion of the principal amount of the Series 2011 A Bonds. The balance of the principal amount of the Series 2011 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

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Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF WELLSBURG

Mayor

02.02.11
952630.00004

5508077

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Huntington National Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 24th day of February, 2011:

(1) Bond No. AR-1, constituting the entire original issue of the City of Wellsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), in the principal amount of $307,661, (the "Series 2011 A Bonds"), executed by the Mayor and the City Clerk of the City of Wellsburg (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on February 8, 2011, and a Supplemental Resolution duly adopted by the Issuer on February 8, 2011 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the City Clerk of the Issuer;

(3) Executed counterparts of a Bond Purchase Agreement for the Series 2011 A Bonds, dated February 24, 2011, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"); and

(4) Executed opinion of nationally recognized bond counsel regarding the validity of the Bond Purchase Agreement and the Series 2011 A Bonds.

You are hereby requested and authorized to deliver the Series 2011 A Bonds to the Authority upon payment to the Issuer of the sum of $17,160, representing a portion of the principal amount of the Series 2011 A Bonds. Prior to such delivery of the Series 2011 A Bonds, you will please cause the Series 2011 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

CITY OF WELLSBURG

Sue Simonetti

Mayor

02.02.11
952630.00004

5508076

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WELLSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $307,661

KNOW ALL MEN BY THESE PRESENTS: That on the 24th day of February, 2011, the CITY OF WELLSBURG, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE HUNDRED SEVEN THOUSAND SIX HUNDRED SIXTY-ONE DOLLARS ($307,661), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012, to and including March 1, 2050, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2012, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority and the DEP dated February 24, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on February 8, 2011, and a Supplemental Resolution duly adopted by the Issuer on February 8, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms

and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 1993 (UNITED NATIONAL BANK), DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $740,000 (THE "SERIES 1993 REFUNDING BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,185,374 (THE "SERIES 1993 BONDS"), AND (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 27, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $215,000 (THE "SERIES 2010 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

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

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: February 24, 2011.

HUNTINGTON NATIONAL BANK
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$17,161	02/24/2011	(19)		
(2)			(20)		
(3)			(21)		
(4)			(22)		
(5)			(23)		
(6)			(24)		
(7)			(25)		
(8)			(26)		
(9)			(27)		
(10)			(28)		
(11)			(29)		
(12)			(30)		
(13)			(31)		
(14)			(32)		
(15)			(33)		
(16)			(34)		
(17)			(35)		
(18)			(36)		

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

SCHEDULE Y
DEBT SERVICE SCHEDULE

BOND DEBT SERVICE
City of Wellsburg
CW SRF
$307,661
0% Interest Rate, 0.5% Administrative Fee
38 Years

Dated Date	2/24/11
Delivery Date	2/24/11

Period Ending	Principal	Interest	Debt Service
6/1/12	2,025		2,025
9/1/12	2,025		2,025
12/1/12	2,025		2,025
3/1/13	2,025		2,025
6/1/13	2,025		2,025
9/1/13	2,025		2,025
12/1/13	2,025		2,025
3/1/14	2,025		2,025
6/1/14	2,025		2,025
9/1/14	2,025		2,025
12/1/14	2,025		2,025
3/1/15	2,025		2,025
6/1/15	2,024		2,024
9/1/15	2,024		2,024
12/1/15	2,024		2,024
3/1/16	2,024		2,024
6/1/16	2,024		2,024
9/1/16	2,024		2,024
12/1/16	2,024		2,024
3/1/17	2,024		2,024
6/1/17	2,024		2,024
9/1/17	2,024		2,024
12/1/17	2,024		2,024
3/1/18	2,024		2,024
6/1/18	2,024		2,024
9/1/18	2,024		2,024
12/1/18	2,024		2,024
3/1/19	2,024		2,024
6/1/19	2,024		2,024
9/1/19	2,024		2,024
12/1/19	2,024		2,024
3/1/20	2,024		2,024
6/1/20	2,024		2,024
9/1/20	2,024		2,024
12/1/20	2,024		2,024
3/1/21	2,024		2,024
6/1/21	2,024		2,024
9/1/21	2,024		2,024
12/1/21	2,024		2,024
3/1/22	2,024		2,024

BOND DEBT SERVICE
City of Wellsburg

Period Ending	Principal	Interest	Debt Service
6/1/22	2,024		2,024
9/1/22	2,024		2,024
12/1/22	2,024		2,024
3/1/23	2,024		2,024
6/1/23	2,024		2,024
9/1/23	2,024		2,024
12/1/23	2,024		2,024
3/1/24	2,024		2,024
6/1/24	2,024		2,024
9/1/24	2,024		2,024
12/1/24	2,024		2,024
3/1/25	2,024		2,024
6/1/25	2,024		2,024
9/1/25	2,024		2,024
12/1/25	2,024		2,024
3/1/26	2,024		2,024
6/1/26	2,024		2,024
9/1/26	2,024		2,024
12/1/26	2,024		2,024
3/1/27	2,024		2,024
6/1/27	2,024		2,024
9/1/27	2,024		2,024
12/1/27	2,024		2,024
3/1/28	2,024		2,024
6/1/28	2,024		2,024
9/1/28	2,024		2,024
12/1/28	2,024		2,024
3/1/29	2,024		2,024
6/1/29	2,024		2,024
9/1/29	2,024		2,024
12/1/29	2,024		2,024
3/1/30	2,024		2,024
6/1/30	2,024		2,024
9/1/30	2,024		2,024
12/1/30	2,024		2,024
3/1/31	2,024		2,024
6/1/31	2,024		2,024
9/1/31	2,024		2,024
12/1/31	2,024		2,024
3/1/32	2,024		2,024
6/1/32	2,024		2,024
9/1/32	2,024		2,024
12/1/32	2,024		2,024
3/1/33	2,024		2,024
6/1/33	2,024		2,024
9/1/33	2,024		2,024

BOND DEBT SERVICE

City of Wellsburg

CW SRF

$307,661

0% Interest Rate, 0.5% Administrative Fee

38 Years

Period Ending	Principal	Interest	Debt Service
12/1/33	2,024		2,024
3/1/34	2,024		2,024
6/1/34	2,024		2,024
9/1/34	2,024		2,024
12/1/34	2,024		2,024
3/1/35	2,024		2,024
6/1/35	2,024		2,024
9/1/35	2,024		2,024
12/1/35	2,024		2,024
3/1/36	2,024		2,024
6/1/36	2,024		2,024
9/1/36	2,024		2,024
12/1/36	2,024		2,024
3/1/37	2,024		2,024
6/1/37	2,024		2,024
9/1/37	2,024		2,024
12/1/37	2,024		2,024
3/1/38	2,024		2,024
6/1/38	2,024		2,024
9/1/38	2,024		2,024
12/1/38	2,024		2,024
3/1/39	2,024		2,024
6/1/39	2,024		2,024
9/1/39	2,024		2,024
12/1/39	2,024		2,024
3/1/40	2,024		2,024
6/1/40	2,024		2,024
9/1/40	2,024		2,024
12/1/40	2,024		2,024
3/1/41	2,024		2,024
6/1/41	2,024		2,024
9/1/41	2,024		2,024
12/1/41	2,024		2,024
3/1/42	2,024		2,024
6/1/42	2,024		2,024
9/1/42	2,024		2,024
12/1/42	2,024		2,024
3/1/43	2,024		2,024
6/1/43	2,024		2,024
9/1/43	2,024		2,024
12/1/43	2,024		2,024
3/1/44	2,024		2,024

(C1955766.1)

BOND DEBT SERVICE

City of Wellsburg

Period Ending	Principal	Interest	Debt Service	
6/1/44	2,024		2,024	
9/1/44	2,024		2,024	
12/1/44	2,024		2,024	
3/1/45	2,024		2,024	
6/1/45	2,024		2,024	
9/1/45	2,024		2,024	
12/1/45	2,024		2,024	
3/1/46	2,024		2,024	
6/1/46	2,024		2,024	
9/1/46	2,024		2,024	
12/1/46	2,024		2,024	
3/1/47	2,024		2,024	
6/1/47	2,024		2,024	
9/1/47	2,024		2,024	
12/1/47	2,024		2,024	
3/1/48	2,024		2,024	
6/1/48	2,024		2,024	
9/1/48	2,024		2,024	
12/1/48	2,024		2,024	
3/1/49	2,024		2,024	
6/1/49	2,024		2,024	
9/1/49	2,024		2,024	
12/1/49	2,024		2,024	
3/1/50	2,025		2,025	**
	307,661		307,661	

**Plus a quarterly administrative expense of $193.55 to reflect a total Administrative expense of $29,419.60

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

February 24, 2011

City of Wellsburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

City of Wellsburg
Wellsburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Wellsburg (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $307,661 Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated February 24, 2011, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are issued in the principal amount of $307,661, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning June 1, 2012, to and including March 1, 2050, all as set forth in "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2011 A Bonds are subject to the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2011 A Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on February 8, 2011, as supplemented by the Supplemental

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Huntington, WV • Columbus, OH

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Resolution duly adopted by the Issuer on February 8, 2011 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Bond Purchase Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

1. The Bond Purchase Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.

2. The Bond Purchase Agreement inures to the benefit of the Authority and DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

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

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

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Refunding Bonds, Series 1993, dated November 19, 1993, issued in the original aggregate principal amount of $740,000; (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia SRF Program), dated November 19, 1993, issued in the original aggregate principal amount of $1,185,374, and (iii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated October 27, 2010, issued in the original aggregate principal amount of $215,000, all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

02.02.11
952630.00004

CIPRIANI LAW OFFICES, L.C.
634 CHARLES STREET
WELLSBURG, WV 26070-1712

WILLIAM CIPRIANI
ATTORNEY AT LAW

PHONE (304) 737-1610
FAX (304) 737-1614

February 24, 2011

City of Wellsburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

City of Wellsburg
Wellsburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Wellsburg in Brooke County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, an Bond Purchase Agreement for the Series 2011 A Bonds, dated February 24, 2011, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), a Bond Ordinance duly enacted by the Issuer on February 8, 2011, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 8, 2011 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

I am of the opinion that:

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

Clerk and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

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

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

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

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from the West Virginia Department of Environmental Protection and the Public Service Commission of West Virginia. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia ("PSC") dated January 5, 2011, which became Final Order January 25, 2011, in Case No. 10-1520-S-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project and affidavit of CPA dated February 3, 2011 and filed at the PSC on February 8, 2011. The time for appeal of such Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

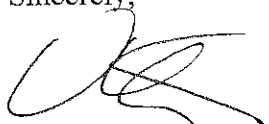
6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement,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

7. Prior to the execution of construction contracts by the Issuer, I will verify that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that

complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also verified that all successful bidders have made the required provisions for all insurance and payment and performance bonds and I will verify such insurance policies and bonds for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Bond Purchase Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Sincerely,



William Cipriani

RESERVED

CIPRIANI LAW OFFICES, L.C.

634 CHARLES STREET
WELLSBURG, WV 26070-1712

WILLIAM CIPRIANI
ATTORNEY AT LAW

PHONE (304) 737-1610
FAX (304) 737-1614

January 10, 2011

Mark Henne, City Manager
City of Wellsburg
Wellsburg, WV 26070

John R. Rogers
West Virginia Department of Environmental Protection
601-57th Street SE
Charleston, WV 25304

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

John C. Stump
Steptoe & Johnson PLLC
PO Box 1588
Charleston, WV 25326-1588

Re: Supplemental Final Title Opinion for City of Wellsburg

Ladies and Gentlemen:

I am counsel to the City of Wellsburg (the "Issuer") in connection with a proposed project to separate three combined sanitary and storm sewers by constructing separate sanitary sewers within the area bounded by 25th and 27th Streets and Pleasant Avenue and the Ohio River (the "Project"). This opinion is supplemental to the final title opinion dated October 28, 2010, and is provided on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

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

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project, and an Application for Certificate of Convenience and Necessity has been filed with the Public Service Commission.

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

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

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

Sincerely,

William Cipriani

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and CITY CITY CLERK of the CITY OF WELLSBURG in Brooke County, West Virginia (the "Issuer"), and the undersigned CITY ATTORNEY, hereby certify this 24th day of February, 2011 in connection with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated the date hereof (the "Series 2011 A Bonds") as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted February 8, 2011, and the Supplemental Resolution duly adopted February 8, 2011 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or

in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of Net Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Bond Purchase Agreement, and the Issuer has met all conditions prescribed in the Bond Purchase Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2011 A Bonds as to liens, pledge, source of and security for payment, as follows:

(i) Combined Waterworks and Sewerage System Revenue Refunding Bonds, Series 1993 issued to United National Bank, dated November 19, 1993, issued in the original aggregate principal amount of $740,000 (the "Series 1993 Refunding Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia SRF Program), dated November 19, 1993, issued in the original aggregate principal amount of $1,185,374 (the "Series 1993 Bonds"); and

(iii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated October 27, 2010, issued in the original aggregate principal amount of $215,000 (the "Series 2010 A Bonds").

The Series 2011 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2011 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1993 Bonds and Series 2010 A Bonds, to the issuance of the Series 2011 A Bonds on a parity with the Series 1993 Bonds and the Series 2010 A Bonds. The Series 1993 Refunding Bonds do not require consent. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the Prior Ordinance.

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

Bond Ordinance

Supplemental Resolution

Bond Purchase Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

City Charter

Rules of Procedure

Oaths of Office of Officers and Councilmembers

Sewer and Water Rate Ordinances and Public Service Commission Orders relating thereto

Minutes on Adoption and Enactment of Sewer and Water Rate Ordinances

Affidavit of Publication of Sewer and Water Rate Ordinances

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

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

Prior Bond Ordinances

Consent of Prior Bondholders

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

Name	Date of Commencement of Office	Date of Termination of Office
Sue Simonetti, Mayor	07/01/2009	07/01/2013
Bruce Hunter, Councilmember 1st Ward	07/01/2009	07/01/2013
Mike Mitchell, Councilmember 1st Ward	08/19/2010	07/01/2011
Tammy Provenzano, Councilmember 2nd Ward	08/19/2010	07/01/2011
Ron Michaux, Councilmember 2nd Ward	08/19/2010	07/01/2013
Randy Fletcher, Councilmember 3rd Ward	07/01/2007	07/01/2011
William Smith, Councilmember 3rd Ward	07/01/2009	07/01/2013
Della Serevicz, Councilmember 4th Ward	08/19/2010	07/01/2011
Jeff Tarr, Councilmember 4th Ward	08/19/2010	07/01/2013

The duly appointed and acting City Clerk of the Issuer is Mary Blum. The duly appointed and acting Counsel to the Issuer is Cipriani Law Offices, L.C., Wellsburg, West Virginia.

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

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

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

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

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation and the Bond Purchase Agreement. All insurance for the System required by the Bond Legislation and the Bond Purchase Agreement are in full force and effect.

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

13. RATES: The Issuer duly enacted a water rate ordinance on June 8, 2010 and a sewer rate ordinance on September 14, 2010 setting the respective rates and charges for the services of the System. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal, and are currently in effect.

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

15. BOND PROCEEDS: On the date hereof, the Issuer received $17,160 from the Authority and the DEP, being a portion of the principal amount of the Series 2011 A Bonds, there being no interest accrued thereon. The balance of the principal amount of the Series 2011 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *Brooke County Review*, a qualified newspaper published and of general circulation in the City of Wellsburg, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the

public hearing held at a public meeting of Council on the 8th day of February, 2011, at 7:00 p.m., at the place of meeting for the Council and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia ("PSC") dated January 5, 2011, and became Final Order on January 25, 2011, (the " Order"), in Case No. 10-1520-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project and affidavit of certified public accountant dated February 3, 2011 and filed at the PSC on February 8, 2011. The time for appeal of such Final Order has expired prior to the date hereof without any appeal.

18. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

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

20. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

21. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

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

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Sue Simonitti	Mayor
Mary M Blum	City Clerk
	City Attorney

02.02.11
952630.00004

5508072

City of Wellsburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Craig D. Richards, Registered Professional Engineer, West Virginia License No. 10358, of Burgess & Niple, Inc, Parkersburg, West Virginia, hereby certify this 24th day of February, 2011 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage portion of the existing public combined waterworks and sewerage system (the "System") of the City of Wellsburg (the "Issuer") to be constructed primarily in Brooke County, West Virginia, which acquisition and construction are being permanently financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance enacted by the Issuer on February 8, 2011, Supplemental Resolution duly adopted by the Issuer on February 8, 2011, and the Bond Purchase Agreement, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated February 24, 2011 (the "Bond Purchase Agreement").

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

3. To the best of our knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Department of Environmental Protection (the "DEP") and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty (40) years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B, attached hereto as Exhibit A and the Issuer's counsel, Cipriani Law Offices, L.C., has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all applicable permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) in reliance upon the certificate of Issuer's certified public accountant, Griffith & Associates, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond

Purchase Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve no new customers.

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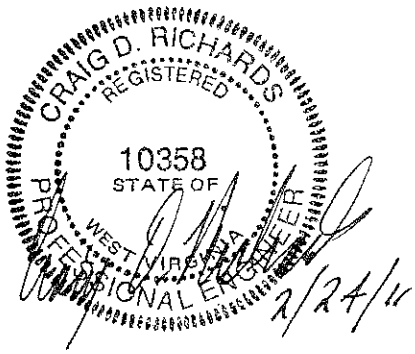
Dated as of the day and year first written above.

BURGESS & NIPLE, INC.

(SEAL)



Craig D. Richards, P.E.
West Virginia License No. 10358

952630.00004

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City of Wellsburg

2/3/2011

IJDC PROJECT 2008S-1023

A. COST OF PROJECT	TOTAL	EPA (55%)	SRF	Brooke County Aid
1 Construction				
Construction, Contract 09-1	851,161.00	388,296.00	92,559.00	370,306.00
2 Technical Services (B&N)				
a. Preliminary Engineering Phase	21,700.00	11,935.00	0.00	9,765.00
b. Final Design Phase	159,100.00	72,215.00	27,800.00	59,085.00
c. Construction Phase, including RPR	95,600.00	4,400.00	87,600.00	3,600.00
3 Asset Management Plan	10,000.00	0.00	10,000.00	0.00
4 Legal	6,000.00	0.00	6,000.00	0.00
5 Administration				
a. Project Coordinator	20,000.00	1,589.00	17,111.00	1,300.00
b Accounting	15,500.00	4,955.00	6,491.00	4,054.00
6 Sites & Other Lands	0.00	0.00	0.00	0.00
7 Miscellaneous (Railroad Permits, 2 ea.)	6,200.00	2,310.00	2,000.00	1,890.00
8 Construction Contingency @ 5%	42,600.00	0.00	42,600.00	0.00
9 Sub Total line 1 thru 8	1,227,861.00	485,700.00	292,161.00	450,000.00
B. Cost of Financing				
10 Funded Reserve	0.00	0.00	0.00	0.00
11 Registrar Fees	500.00	0.00	500.00	0.00
12 Bond Counsel	15,000.00	0.00	15,000.00	0.00
13 Sub Total Cost of Financing	15,500.00	0.00	15,500.00	0.00
14 Total Cost of Project (Line 9 + Line 13)	1,243,361.00	485,700.00	307,661.00	450,000.00
C. SOURCES OF OTHER FUNDS				
15 Federal Grant (SAP)	485,700.00	485,700.00	0.00	0.00
16 State Grant	0.00	0.00	0.00	0.00
17 Other Grants (Brooke County)	450,000.00	0.00	0.00	450,000.00
18 Total Grants (lines 15 through 17)	935,700.00	485,700.00	0.00	450,000.00
19 Total SRF Bond Issue	307,661.00	0.00	307,661.00	0.00

Sue Simonetti
City of Wellsburg

2-24-11
Date

Craig A. Richards
Burgess & Niple

2-24-11
Date

February 24, 2011

City of Wellsburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

City of Wellsburg
Wellsburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of the City of Wellsburg (the "Issuer"), enacted September 14, 2010, the water rate ordinance of the Issuer, enacted June 8, 2010 and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Burgess & Niple, Limited, the consulting engineer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and sewerage system of the Issuer (the "System"), will pay all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), to be issued in the original principal amount of $307,661 (the "Bonds") on the date hereof, and all other obligations secured by or payable from revenues of the System prior to or on a parity with the Bonds, including the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Refunding Bonds, Series 1993 (United National Bank), dated November 19, 1993, issued in the original aggregate principal amount of $740,000; (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia SRF Program), dated November 19, 1993, issued in the original aggregate principal amount of $1,185,374; and (iii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated October 27, 2010, issued in the original aggregate principal amount of $215,000 (collectively, the "Prior Bonds").

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Prior Bonds currently outstanding and the Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of Wellsburg in Brooke County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $307,661 Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, dated February 24, 2011 (the "Bonds" or the "Series 2011 A Bonds"), hereby certifies this 24th day of February, 2011 as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on February 8, 2011 and Supplemental Resolution duly adopted by the Issuer on February 8, 2011 (the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on February 24, 2011, the date on which the Bonds are being physically delivered in exchange for an initial advance of $17,160, being a portion of the principal amount of the Series 2011 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2011 A Bonds were sold on February 24, 2011, to the Authority, pursuant to a Bond Purchase Agreement dated February 24, 2011, by and between the Issuer, the Authority and the DEP, for an aggregate purchase price of $307,661 (100% of par), at which time, the Issuer received $17,160 from the Authority and the DEP, being the first advance of the principal amount of the Series 2011 A Bonds. No accrued interest has been or will be paid on the Series 2011 A Bonds. The balance of the principal amount

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

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

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

8. The total cost of the Project financed from the proceeds of the Bonds (including all costs of issuance of the Bonds) is estimated at $1,243,361. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2011 A Bonds	$307,661
Special Appropriation Program Grant	$485,700
Brooke County PSD Grant	$450,000
Total Sources	$1,243,361

USES	
Costs of Acquisition and Construction of the Project	$1,227,861
Costs of Issuance	$15,500
Total Uses	$1,243,361

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2011 A Bonds Construction Trust Fund;

(4) Series 2011 A Bonds Sinking Fund; and

(5) Series 2011 A Bonds Reserve Account.

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

(1) Series 2011 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2011 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2011 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2011 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2011 A Bonds Reserve Account.

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

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

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 6 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2011 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

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

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

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

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

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

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WITNESS my signature on this day and year first written above.

CITY OF WELLSBURG

Sue Simonetti

Mayor

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CITY OF WELLSBURG

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

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

1. Regular Meetings. A notice shall be posted and maintained by the Clerk at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Clerk not less than 3 business days before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

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

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

Adopted this 10th day of August 2010.

Sue Simonetti
Mayor

Mary M Blum
Clerk

THE CHARTER

OF THE

CITY OF WELLSBURG, WEST VIRGINIA

EDITOR'S NOTE: This Part contains the Charter of the City of Wellsburg as same as set out in Acts 1931, ch. 82, as amended, passed February 11, 1931, and in effect from passage. Dates appearing in parentheses following section headings indicate those sections were subsequently amended, added or repealed on the date given.

Sec. 1. City as Body Corporate; Powers of City; Title to City Property, etc.
Sec. 2. City Limits.
Sec. 3. Officers.
Sec. 4a. Powers and Duties of Mayor Generally. (6-19-81)
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Sec. 5. Wards and Precincts Generally.
Sec. 6. Elections; Terms of Office. (2-25-57)
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Sec. 38. Water Board. (9-10-57)
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THE CHARTER

OF THE

CITY OF WELLSBURG, WEST VIRGINIA

An Act to amend and re-enact chapter fourteen of the Acts of the legislature, passed February 21, 1887, entitled An Act to Create a Municipal Corporation of the City of Wellsburg, in the County of Brooke and to Grant a Charter thereto, to Amend a Charter of the City of Wellsburg and all Acts of the Legislature Amendatory thereon.

Be it enacted by the Legislature of West Virginia:

That chapter fourteen of the Acts of 1887, and all Acts of the legislature amendatory thereof, be amended and re-enacted so as to read as follows:

SECTION 1. CITY AS BODY CORPORATE; POWERS OF CITY; TITLE TO CITY PROPERTY, ETC.

The inhabitants of the portion of the County of Brooke, in the State of West Virginia, within the limits of the City of Wellsburg as they now are, or as they may hereafter be, shall be and continue a body politic and corporate, by the name and style of "City of Wellsburg," and as such, and by that name, shall have perpetual succession and may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, and may purchase, acquire by condemnation proceedings for public use, take, receive, hold and use goods and chattels, lands and tenements and choses in action, or any interest, right or estate, therein either for the proper use of said City, or in trust for the benefit of any person or association therein; and the same may grant, sell, convey, transfer and assign, let, pledge, mortgage, charge and encumber, in any case and in any manner in which it would be lawful for private individuals so to do, except where its power may be limited by law, and may have and use a common seal, and alter and renew the same at pleasure; and generally have all the rights, franchises, capacities and powers appertaining to municipal corporations in this State.

All real and personal estate, and all funds, rights, titles, taxes, credits and claims and rights of action owned by the City of Wellsburg immediately before this Charter takes effect of which are then held in trust or have been appropriated for the use or benefit of said City or of the inhabitants thereof, shall be and the same are hereby transferred to and vested in the City of Wellsburg under this Charter.

All lawful contracts with and all lawful rights, claims and demands against the City of Wellsburg, at the time this Charter takes effect, shall be good in law against the said City under this Charter.

SECTION 2. CITY LIMITS.

The boundaries of the City of Wellsburg shall be as follows: Beginning at the mouth of Buffalo Creek and extending eastwardly along the center line of the meandering of said creek to a point in the west line of the Pan Handle Traction Company right-of-way; thence in a northerly direction along the west line of the Pan Handle Traction Company right-of-way until it strikes the west line of Commerce Street; thence northward along the west line of Commerce Street to the southwest corner of Commerce and Fourth Streets; thence eastward to the southeast corner of Fourth and Commerce Streets; thence southward along the east line of Commerce Street to the north line of an alley located immediately south of Third Street; thence in a straight line in an easterly direction along the north line of said alley to the line of the lands of F. A. Chapman; thence in a northerly direction along the west line of the lands owned by F. A. Chapman and the lands owned by S. H. Hubbard and Dorrie Hubbard to a corner at the joining of the lands of S. H. Hubbard and Dorrie Hubbard with those of Josephine Du Point Leonard and of the J. F. Cree estate; thence in a northerly direction in a straight line across the lands of J. F. Cree, now deceased to the southeast corner of lot fifty-four of the plan of lots platted and recorded by I. H. Duval; thence in a northerly direction in a straight line to the northeast corner of lot fifty-two of said plan of lots; thence in a northeast direction in a straight line to the southeast corner of the lands of H. W. Paull; thence in a northerly direction along the east boundary line of the property of said H. W. Paull, of the property of Elizabeth P. Jacobs, of the property of W. H. Tarr, deceased, and of the property of Miss Lou Tarr, deceased, of the property of G. L. and S. R. Caldwell, of the property of A. P. Oxtoby, of the property platted into lots by Fred L. Hall, of the property of Edward Rithner and of the property of the Brooke Cemetery Company; thence from the northeast corner of the said cemetery property in a northwesterly direction in a straight line to a point in a ravine situate at the foot of what is known as Gilchrist Hill and four hundred feet east of the Ohio River; thence in a westwardly direction following the meandering of said run or ravine to the east shore of the Ohio River; thence on a direct line to the west shore of said river; thence extending along the west shore of said river in a southerly direction to a point opposite the mouth of Buffalo Creek; thence from said point to the mouth of Buffalo Creek, the place of beginning, including all the land and water between the boundary lines aforesaid.

The boundaries of the City of Wellsburg shall also extend to and include the tract of land conveyed to the city by I. H. Duval and wife, by deed dated March 29, 1886, recorded in deed book number 26, page 466, of the records of Brooke County, which tract contains the reservior of the City waterworks. (Acts 1932, ch. 26.)

SECTION 3. OFFICERS.

The officers of the City shall be a Mayor, two councilmen from each ward, City Collector and Treasurer, City Clerk, Chief of Police and City Manager. The Mayor, members of Council, City Collector and Treasurer, City Clerk and Chief of Police, of said City shall be elected by the voters of said City as hereafter provided. The other officers shall be appointed by the Council; provided, further, that the Chief of Police or other elective officer may designate and nominate such assistants as are herein provided for, who shall be appointed by said Council unless good cause be shown for the rejection of such nomination or nominations. (6-19-81)

SECTION 4a. POWERS AND DUTIES OF MAYOR GENERALLY.

The Mayor shall take care that the provisions of this Act, and the orders, bylaws, ordinances, acts and resolutions of the Council of said City are faithfully executed; he shall have authority to convene Council in special session whenever he may deem it advisable to do so, and shall be ex officio a justice and conservator of the peace within said City, and shall within the same have, possess and exercise all the powers and perform all the duties vested by law in a justice of the peace, except that he shall have no jurisdiction in civil cases or causes of action arising out of the corporate limits of the City; he shall have the same powers to issue attachments in civil cases as a justice of this County has, although the cause of action may have arisen out of the City; but in such cases he shall have no power to try the same, but such attachment shall be returnable to and be heard by some justice of his County; any warrant or other process issued by him may be executed any place within the County of Brooke; and it shall be his duty especially to see that the peace and good order of the City are preserved and that persons and property therein are protected, and to this end he may cause the arrest and detention of all riotous and disorderly persons in the City before issuing his warrant therefor; he shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require immediate payment thereof, and in default of such payment he may commit the party in default to the jail of Brooke County, or other place of imprisonment in said City until the fine or penalty and costs are paid; but the term of imprisonment shall not exceed thirty days; he shall from time to time recommend to Council such measures as he may deem necessary or needful for the welfare of the City. The expense of maintaining any person imprisoned by him, except it be to answer an indictment, or be under the provisions of sections 50-227 and 50-228 of the Code of West Virginia, shall be paid by the City. The mayor shall not receive any money belonging to the State or individuals, unless he shall give such bond and security required of a justice of the peace by chapter 50 of the Code of West Virginia; and all the provisions of said chapter relating to moneys received by justices shall apply to like moneys received by the Mayor; and for such services when acting in the capacity of a justice of the peace, he shall receive such fees as are allowed by law to justices for similar services.

It shall be lawful for the Mayor, when any person is fined by him, at his discretion, to sentence such person to labor without compensation, on any of the streets or alleys, or any of the public works or improvements, undertaken, or to be undertaken by the City, in lieu of the fine so imposed for a period not exceeding thirty days.

In rendering such judgment, and giving such sentence, the Mayor shall ascertain and fix the amount of the fine upon the payment of which, with the costs of prosecution, such person shall be discharged from sentence to labor. Such person so sentenced to labor, shall be confined in the jail of Brooke County, or other place of imprisonment in said City, while not at labor. (6-19-81)

SECTION 4b. CITY MANAGER.

Section a. Appointment of City Manager. The Council shall appoint an officer of the City who shall have the title of City Manager and shall have the powers and perform the duties provided in this Charter. No councilman shall receive such appointment during the term for which he has been elected or within one year after the expiration of his term.

Section b. Qualification; compensation. The City Manager shall be chosen by the Council on the basis of his executive and administrative qualifications, with special reference to his actual experience in, or his knowledge of, accepted practice in respect to the duties of his office as herein set forth. His compensation shall be fixed by the Council. At the time of his appointment, he must be a resident of the City.

Section c. Powers and duties. The City Manager shall be the chief executive of the administrative branch of the City Government. He shall be responsible to the Council for proper administration of all affairs of the City, and to that end, subject to the provisions of this Charter, he shall have power and/or be required to:

(1) See that all ordinances are enforced and that the provisions of all franchises, leases, contracts, permits and privileges granted by the City are observed;
(2) Appoint and, when he deems necessary for the good of the service, remove or suspend all officers and employees of the City except as otherwise provided by this Charter, by law, or by personnel rules adopted pursuant to this Charter; and authorize the head of a department or office subject to his direction and supervision to appoint and remove subordinates in such department or office; he may appoint special police officers whenever he may deem it necessary;
(3) Prepare the annual budget estimates and submit them to the Council, and be responsible for the administration of the budget after adoption;
(4) Keep the Council advised at all times of the affairs and needs of the City, and make reports annually, or more frequently if requested by the Council, of all the affairs of the City.
(5) Supervise the purchasing for all departments of the City.
(6) Perform such other duties as may be prescribed by this Charter or required of him by the Council, not inconsistant with this Charter.
(7) Furnish a surety bond to be approved by the Council, such bond to be conditioned on the faithful performance of his duties; the premium of the bond shall be paid by the City.

Section d. Acting City Manager. If the City Manager is absent from the City, is unable to perform his duties, or is suspended by the Council, or if there is a vacancy in the office of the City Manager, the Council shall appoint an Acting City Manager to serve until the City Manager returns, until his disability or suspension ceases, or until another City Manager is appointed and qualifies, as the case may be.

Section e. Removal. The Council shall appoint the City Manager for an indefinite term and may remove him by a majority vote of its members. The City Manager may, within 10 days from the date of such vote, request a public hearing to be held not later than 30 days thereafter. Severance pay will be at the discretion of the Council. The action of the Council in suspending or removing the Manager shall be final and conclusive on everyone, it being the intention of this Charter to vest all authority and fix all responsibility for such suspension and removal in the Council. (6-19-81)

SECTION 5. WARDS AND PRECINCTS GENERALLY.

The City of Wellsburg shall be divided into four wards as nearly equal in population as practicable. The members of Council from each ward shall be elected by the voters thereof and the Council shall establish one or more voting places in each ward, and when more than one voting place shall be established in a ward, the Council shall establish as many precincts as there are voting places numbering the same and establish the boundary line thereof. Council shall have authority to alter the boundaries of any of the wards of said City and to increase the number of said wards keeping in view the equality of population.

SECTION 6. ELECTIONS; TERMS OF OFFICE.

The first election under this Act shall be held on the second Tuesday of June 1931 and an election shall be held biennially thereafter on the second Tuesday of June. The officers elected under this Act shall hold their office from the first day of July next succeeding their election until their successors are elected and qualified. The first election under this amended Act shall be held on the second Tuesday of June 1957 and an election shall be held on the second Tuesday of June 1958 to provide for the short terms made necessary by this amendment. The next election shall be held on the second Tuesday of June 1959, and elections thereafter shall be held biennially on the second Tuesday of June as previously set forth. (Acts 1931, ch. 82; 2-25-57.)

SECTION 7. OATH OF OFFICE.

Every person elected or appointed to an office in said City, shall within twenty days after this election or appointment and before entering upon the duties of his office, take and subscribe to the oath required by law, to be administered by the Mayor, Clerk or any other person legally authorized so to do.

SECTION 8. QUALIFICATION OF VOTERS.

All citizens of this State who have been bona fide residents of the said City for not less than sixty days next preceding the election, and who are qualified voters under the Constitution and laws of this State, shall be entitled to vote at all municipal elections held in said City, but only in the ward of which they are residents.

SECTION 9. COMPOSITION OF CITY COUNCIL; ELECTION AND TERMS OF OFFICE OF COUNCILMEN.

The Council of the City shall, after the first day of July 1931, consist of two members from each ward within said City, one member from each ward to be elected biennially at the City election to be held upon the second Tuesday of June every second year and to hold office for the term of four years or until his successor is elected and qualified. At the election of officers to be held on the second Tuesday of June 1957, one councilman from each ward shall be elected for a term of four years. At the election to be held on the second Tuesday of June 1958, one councilman from each ward shall be elected for a term of one year, to provide for the short term made necessary by this amendment. At the election to be held on the second Tuesday of June 1959, one councilman from each ward shall be elected for a term of four years.
(Acts 1931, ch. 82; 2-25-57.)

SECTION 10. ELECTIVE OFFICERS ENUMERATED; REFERENDUM AS TO ELECTION OF POLICE CHIEF; TERM OF CITY CLERK.

At the election of officers to be held upon the second Tuesday of June 1931, after the passage of this Act, there shall be elected a Mayor, City Collector and Treasurer, Chief of Police and one councilman from each ward; and thereafter the Mayor, City Collector and Treasurer and Chief of Police shall be elected every four years and shall hold their respective offices for the terms of four years and until their successors shall be elected and qualified; provided, further, that a referendum may be had on the question of whether or not the office of Chief of Police shall be an elective or appointive position, and if and upon, its submission to the voters of said City, a majority of said votes shall favor said office as being an appointive one, then the City Council shall make such appointment and the duties of said officers shall be and remain the same, as herein provided.

The City Clerk elected in said City at the election held therein on the second Tuesday of April, 1930 shall hold his office until the first day of July, 1932, and thereafter a City Clerk shall be elected every four years, who shall hold his office for the term of four years, and until his successor is elected and qualified. However, at the election to be held on the second Tuesday of June 1958, the City Clerk shall be elected for a term of one year, to provide for the short term made necessary by this amendment, and at the election to be held on the second Tuesday of June 1959, the City Clerk shall be elected for a term of four years. (Acts 1931, ch. 82; 2-25-57.)

SECTION 11. STREET COMMISSIONER.

The Street Commissioner shall be appointed by the Council, and shall hold his office at their pleasure; and perform such duties and receive such compensation therefor as the Council may from time to time prescribe.

SECTION 12. ESTABLISHMENT OF POWERS, DUTIES AND COMPENSATION OF OFFICERS.

The powers, duties and compensation of all officers shall be established by ordinance; but the compensation pertaining to any office shall not be increased or diminished so as to affect any officer subsequent to his election or appointment and during the term for which he was elected or appointed.

SECTION 13. TIE VOTES.

When two or more persons shall receive an equal number of votes for the same office, if such number be the highest number cast for each office, the Council shall decide by lot which of them shall be returned as elected.

SECTION 14. CONTESTED ELECTIONS.

All contested elections shall be decided by the Council.

SECTION 15. VOTE BY MAYOR; COMMITTEES OF CITY COUNCIL; INTEREST OF COUNCILMEN.

The Mayor shall by virtue of his office, preside over the Council, but shall only have a vote in case of a tie. The committees of the Council shall be selected by the hold-over members of this body and confirmed by Council.

No member of the Council shall vote on any order, measure, resolution or proposition in which he may be interested otherwise than as a citizen of said City.

SECTION 16. RECORD OF COUNCIL PROCEEDINGS.

The Council shall cause to be kept in a well bound book, an accurate record of all its proceedings which shall be fully indexed and open to the inspection of the public.

SECTION 17. DUTIES OF CITY CLERK.

The Clerk of said City shall be Clerk of the Council, and all of the committees thereof; have charge of all the records and archives, make out an assessment book from the books of the assessor of Brooke County and perform such other duties pertaining to his office as the Council may prescribe.

SECTION 18. RECORD OF COUNCIL MEETINGS TO BE SIGNED BY PRESIDING OFFICER, ETC.

At each meeting of Council the proceedings of the last meeting shall be read and corrected, if erroneous, and signed by the presiding officer and Clerk. Upon the call of any member for the yeas and nays on any question, the same shall be taken and recorded in the journal.

SECTION 19. POWERS OF CITY COUNCIL ENUMERATED.

The Council shall have plenary power and authority therein by ordinance or resolution as the case may require, so far as such power or authority is not in conflict with the Constitution and laws of this State or the Constitution of the United States, to lay off, vacate, close, open, curb, recurb, pave or repave and keep in good repair, roads, streets, alleys, sidewalks, crosswalks, drains and gutters, for the use of the public, and to improve and light the same, and have them kept free from obstructions on or over them; to prevent by proper fines and penalties the throwing, depositing or permitting to remain on any street, sidewalk, alley, lane, square or other public place any glass, scrap iron, nails, tacks, wire, other litter, or any offensive matter or any thing likely to injure the feet of persons or animals or the tires of vehicles; to regulate the use of streets, alleys, lanes and sidewalks for vehicles propelled by man power, and for other vehicles the use of which is not regulated by general laws; to regulate the width of sidewalks on the streets, and, subject to Section 21 hereof, to order the sidewalks, footways and crosswalks to be curbed, recurbed, paved, repaved and kept in

good order, free and clean, by the owners or occupants thereof, or of the real property next adjacent thereto; to establish and regulate markets, and prescribe the time of holding the same; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome; to prevent hogs, cattle, horses, sheep, dogs or other animals, and fowls of all kinds, from going at large in such town; to protect places of divine worship and to preserve peace and order in and about the premises where held; to arrest, convict and punish any person for keeping a house of ill fame, or for letting to another person any house or other building for the purpose of being used or kept as a house of ill fame, or for knowingly permitting any house owned by him, or under his control, to be kept or used as a house of ill fame, or for loafing, boarding or loitering in a house of ill fame, or frequenting same; to arrest, convict and punish any person for importing, printing, publishing, selling or distributing any book or other thing containing obscene language; to arrest, convict and punish any person for cruelly, unnecessarily or needlessly beating, torturing, mutilating, killing or overloading or overdriving, or willfully depriving the necessary sustenance, any horse or other domestic animal; to arrest, convict and punish any person for gambling or keeping gaming tables, commonly called A. B. C. or E. O. table or faro bank or keno table, or table of like kind, under any denomination, whether the gaming table be played with cards, dice or otherwise, or any person who shall be a partner or concerned in interest, in keeping or exhibiting such table or bank, or keeping or maintaining any gaming house or place, or betting or gambling for money or anything of value; to license, or for good cause to refuse to license in a particular case, or at its discretion to prohibit in all cases, the operation of pool and billiard rooms and maintaining for hire of pool and billiard tables, notwithstanding the general law as to state licenses for such business. When the Council, in the exercise of its discretion, shall have refused to grant a license to operate a pool or billiard room mandamus shall not lie to compel the Council to grant such license, unless it shall clearly appear that the refusal of the Council to grant such license is discriminatory or arbitrary. In the event that the Council decides to license any such business, the Council shall have power and it shall be the duty of the Council, to make and enforce reasonable ordinances regulating the licensing and operating of such businesses; the Council shall also have such power and authority to arrest, convict and punish any person for carrying about his person any revolver or other pistol, dirk, Bowie knife, razor, slung shot, billy, metallic or other false knuckles, or any other dangerous or other deadly weapon of like kind or character, within such town, to arrest, convict and punish any person for driving or operating within such town, a motor vehicle when intoxicated or under the influence of liquor, drugs or narcotics; to provide penalties for the offenses and violations of law mentioned herein in addition to the penalties provided in Section 23 of this article, but which shall not exceed the penalties provided for like offenses and violations in this chapter, and in chapter 61 of this code; to abate or cause to be abated anything which, in the opinion of a majority of the whole Council, shall be a nuisance; to regulate the keeping of gunpowder and other combustibles; to acquire, by purchase, condemnation and otherwise, land in or

near the City for providing and maintaining proper places for the burial of the dead and to regulate interments therein upon such terms and conditions as to price and otherwise as may be determined by the Council, and in order to carry into effect such provisions the Council may acquire any cemetery or cemeteries already established; to provide for the regular building of houses or other structures, and for making of division fences by the owners of adjacent premises and drainage of lots by the proper drains and ditches; to make regulations guarding against danger or damage by fire; to prevent the illegal sale of intoxicating liquors, drinks, mixtures and preparations therein; to protect the persons and property of the inhabitants of such City, and to preserve peace and good order therein, except as otherwise provided, to prescribe the powers and define the duties of the officers appointed by the Council, fix their terms of service and compensation, and require and take from them bonds, when deemed necessary, payable to such City, in its corporate name, with such sureties and in such penalty as the Council may see fit, conditioned for the faithful discharge of their duties; to require and take from employees and contractors bonds in such penalties with such sureties and with such conditions, as Council may see fit; to erect, or authorize or prohibit the erection of, gas works, electric light works or waterworks within or without the town and to prevent injury to such works or the pollution of the water and its maintenance in a healthful condition for public use within the town; to regulate and provide for the weighing of hay, coal and other articles sold or for sale in the town; to provide a revenue for the City and appropriate the same to its expenses, which power shall include the power to tax dogs; to impose a license tax on persons or companies keeping for hire carriages, hacks, buggies or wagons; or for carrying passengers for pay in any such vehicle, in such town; to adopt rules for the transaction of business, and the government and regulation of its own body.

Wherever the powers herein granted cannot be reasonably and efficiently exercised by confining the exercise thereof within the corporate limits the powers of the corporation shall extend beyond the corporate limits to the extent necessary to the reasonably efficient exercise of such powers within the corporate limits. But such powers, unless otherwise provided, shall not extend more than one mile beyond the corporate limits, nor shall such powers extend into the corporate limits of another municipal corporation.

SECTION 20. LICENSING POWER GENERALLY; FORTUNETELLING, ETC., PROHIBITED. Whenever anything for which a State license is required is to be done within said City, also to include miniature golf course, the Council may require a license therefor and may impose a tax thereon for the use of said City.

It shall be unlawful for any person in said City to hold himself or herself out as a fortuneteller, clarivoyant, mind reader, or palmist and purport and claim to tell the future or the past by the above or any other hidden or secret methods or science, or to practice the above calling, avocation or profession, and the Council may pass an ordinance prohibiting the same and prescribing penalties for its violation. Nothing in this section contained shall be construed so as to control any religious association or body.

SECTION 21. CURBING, PAVING STREETS, SIDEWALKS, ETC.; SEWERS AND GUTTERS.

If the owner of any real property next adjacent to any sidewalks, crosswalks, drains and gutters within said City, shall fail or refuse to curb, pave, recurb or repave or to keep the same clean in the manner or within the time required by the Council, it shall be the duty of the Council to cause the same to be done at the expense of the City and to assess the amount of such expenses to such owner of the property abutting thereon and the same may be collected by the City Collector and Treasurer in the same manner provided for the collection of City taxes. Council shall always have authority to pave or repave, curb or recurb or otherwise permanently improve streets, alleys, crosswalks, drains and gutters and sewers in said City at the expense of the City.

The City of Wellsburg having upon the ninth day of April, 1908, by a special election, adopted, chapter 8 of the Acts of the legislature of 1908, as a method for paving and sewering within said City, therefor, section 8-8-1, et seq., West Virginia Code 1931, is hereby adopted and made a part of the Charter of the City of Wellsburg, with the exception that all paving and repaving, curbing and recurbing and sewering, which shall be done in the City, the whole cost thereof, other than that portion which is chargeable to a street railway company, or other railway company, shall, including the intersection of streets and alleys, be charged to the owners of the property abutting upon any street so improved or sewered.

SECTION 22. SEMIANNUAL REPORT BY CITY COLLECTOR.

It shall be the duty of the City Collector and Treasurer at least once every six months during his continuance in office and oftener, if required by Council, to render an account of the taxes, fines, penalties, assessments and other claims in his hands for collection and to read a list of such as he shall not have been able to collect by reason of insolvency, removal or other causes; to which list he shall make affidavit that he used due diligence to collect the same but has been unable to do so, and if the Council shall be satisfied of the correctness of said list and affidavit, it shall allow the City Collector and Treasurer a credit for said claim; he shall pay any money in his hands to the City, upon the order of council and not otherwise.

SECTION 23. POWERS OF CITY COUNCIL AS TO ZONING, ETC.

For the purpose of promoting health, safety, morals, or the general welfare of the community, Council is hereby empowered to regulate and restrict the height, number of stories, and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population, and the location and use of buildings, structures, and land for trade, industry, residence or other purpose.

District. For any or all such purposes the Council may divide the Municipality into districts of such number, shape and area as may be deemed best suited to carry out the purpose of this article; and within such districts it may regulate, and restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures, or land. All such regulations shall be uniform for each class or kind of buildings throughout each district, but the regulations in one district may differ from those in other districts.

Purposes in view. Such regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets; to secure safety from fire, panic and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. Such regulations shall be made with reasonable consideration, among other things, to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such Municipality.

Method of procedure. The Council shall provide for the manner in which such regulations and restrictions and the boundaries of such districts shall be determined, established, and enforced, and from time to time amended, supplemented, or changed. However, no such regulation, restriction, or boundary shall become effective until after a public hearing in relation thereto, at which parties in interest and citizens shall have an opportunity to be heard. At least fifteen days' notice of the time and place of such hearing shall be published, in an official paper, or a paper of general circulation, in such Municipality.

Changes. Such regulations, restrictions, and boundaries, may from time to time be amended, supplemented, changed, modified, or repealed. In case, however, of a protest against such change, signed by the owners of twenty percent or more either of the area of the lots included in such proposed change, or of those immediately adjacent in the rear thereof extending one hundred feet therefrom or of those directly opposite thereto extending one hundred feet from the street frontage of such opposite lots, such amendment shall not become effective except by the favorable vote of three-fourths of all members of the Council of such Municipality. The provisions of the previous section relative to public hearings and official notice shall apply equally to all changes or amendments.

Zoning Commission. In order to avail itself of the zoning powers conferred by this article, the Council shall appoint a commission, consisting of freeholders of the Municipality, to be known as the Zoning Commission, to recommend the boudaries of the various original districts and appropriate regulations to be enforced therein. Such Commission shall make a preliminary report and hold public hearings thereon before submitting its final report and Council shall not hold its public hearings or take action until it has received the final report of such Commission. Where a municipal planning commission already exists, it may be appointed as the Zoning Commission. The members of the Commission shall serve without compensation.

Board of adjustment. The Council may provide for the appointment of a Board of Adjustment, and in the regulations and restrictions adopted pursuant to the authority of this article may provide that the said Board of Adjustment

may, in appropriate cases and subject to appropriate conditions and safeguards, make special exceptions to the terms of the ordinance in harmony with its general purpose and intent and in accordance with general or specific rules therein contained.

The Board of Adjustment shall consist of five members each to be appointed for a term of three years and removable for cause by the appointing authority upon written charges and after public hearing. Vacancies shall be filled for the unexpired term of any member whose term becomes vacant.

The Board shall adopt rules in accordance with the provisions of an ordinance adopted pursuant to this article. Meetings of the Board shall be held at the call of the chairman and at such other times as the Board may determine. Such chairman, or in his absence the acting chairman, may administer oaths and compel the attendance of witnesses. All meetings of the Board shall be open to the public. The Board shall keep minutes of its proceedings, showing the vote of each member upon each question, or, if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the Board and shall be a public record.

Appeals to the Board of Adjustment may be taken by any person aggrieved or by any officer, department, board, or bureau of the Municipality affected by any decision of the administrative officer. Such appeal shall be taken within a reasonable time, as provided by the rules of the Board, by filing with the officer from whom the appeal is taken and with the Board of Adjustment a notice of appeal specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the Board all the papers constituting the record upon which the action appealed from was taken.

An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the Board of Adjustment after the notice of appeal shall have been filed with him that by reason of facts stated in the certificate a stay would, in his opinion, cause imminent peril to life or property. In such case proceedings shall not be stayed otherwise than by a restraining order which may be granted by the Board of Adjustment or by a court of record on application on notice to the officer from whom the appeal is taken and on due cause shown.

The Board of Adjustment shall fix a reasonable time for the hearing of the appeal, give public notice thereof, as well as due notice to the parties in interest, and decide the same within a reasonable time. Upon the hearing any party may appear in person or by agent or by attorney.

The Board of Adjustment shall have the following powers:

(a) To hear and decide appeals where it is alleged there is error in any order, requirement, decision, or determination made by an administrative official in the enforcement of this article or of any ordinance adopted pursuant thereto;

(b) To hear and decide special exceptions to the terms of the ordinance upon which such Board is required to pass under such ordinance;

(c) To authorize upon appeal in specific cases such variance from the terms of the ordinance as will not be contrary to the public interest; where, owing to special conditions, a literal enforcement of the provisions of the ordinance will result in unnecessary hardship, and so that the spirit of the ordinance shall be observed and substantial justice done.

In exercising the above mentioned powers such Board may, in conformity with the provisions of this article, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from, and may make such order, requirement, decision, or determination as ought to be made, and to that end shall have all the powers of the officer from whom the appeal is taken.

The concurring vote of four members of the Board shall be necessary to reverse any order, requirement, decision or determination of any such administrative official, or to decide in favor of the applicant on any matter upon whch it is required to pass under any such ordinance, or to effect any variation in such ordinance.

Any person or persons, jointly or severally, aggrieved by any decision of the Board of Adjustment, or any taxpayer, or any officer, department, board, or bureau of the Municipality, may present to a circuit court of the County, a petition, duly verified setting forth that such decision is illegal, in whole or in part, specifying the grounds of the illegality. Such petition shall be presented to the court within thirty days after the filing of the decision in the office of the Board.

Upon the presentation of such petition the court may allow a writ of certiorari directed to the Board of Adjustment to review such decision of the Board of Adjustment and shall prescribe therein the time within which a return thereto must be made and served upon the realtor's attorney, which shall not be less than ten days and may be extended by the court. The allowance of the writ shall not stay proceedings upon the decision appealed from, but the court may, on application, on notice to the Board and on due cause shown, grant a restraining order.

The Board of Adjustment shall not be required to return the original papers acted upon by it, but it shall be sufficient to return certified or sworn copies thereof or of such portions thereof as may be called for by such writ. The return shall concisely set forth such other facts as may be pertinent and material to show the grounds of the decision appealed from and shall be verified.

If upon the hearing, it shall appear to the court that testimony is necessary for the proper disposition of the matter, it may take evidence or appoint a referee to take such evidence as it may direct and report the same to the court with his findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

Costs shall not be allowed against the Board unless it shall appear to the court that it acted in bad faith or with malice in making the decision appealed from.

Remedies. In case any building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained, or any building, structure or land is used in violation of this article or of any ordinance or other regulation made under authority conferred hereby, the proper local authorities of the Municipality, in addition to other remedies, may institute any appropriate action or proceedings to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance, or use, to restrain, correct, or abate such violation, to prevent the occupancy of such building, structure or land, or to prevent any illegal act, conduct business, or use in or about such premises.

Conflict with other laws. Wherever the regulations made under authority of this article require a greater width or size of yards, courts, or other open spaces, or require a lower height of building or less number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the provisions of the regulations made under autority of this article shall govern. Wherever the provisions of any other statute or local ordinance or regulation require a greater width or size of yards, courts, or other open spaces, or require a lower height of building or a less number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required by the regulations made under authority of this article, the provisions of such statute or local ordinance or regulation shall govern.

Municipal Planning Commission - Appointment. The Council is hereby authorized to appoint a Municipal Planning Commission.

Same - Compensation. The Municipal Planning Commission shall consist of not less than five citizens, all of whom shall be taxpayers and residents, who shall be nominated by the Mayor and confirmed by the Council of the town. The members of the Commission first appointed shall serve respectively for terms of one year, two years and three years, divided equally or as nearly equally as possible between these terms. Thereafter members shall be appointed for terms of three years each. Vacancies shall be filled by appointment for the unex-pired term only. Members of the Commission shall serve without compensation.

Same - Duties. The duties of the Commision shall be to prepare plans for the development of the whole or any portion of the Municipality and of any land outside of the Municipality which, in the opinion of the Commission, bears relation to the planning of the Municipality; provided, however, that the power of the Municipal Planning Commission shall not extend beyond the territorial limits of the Municipality except so far as is reasonably necessary to protect the community, both within and without the corporate limits, against the inadequate streets, highways, and sewers and inadequately planned and zoned territory, provided, further, that when two or more municipal corporations in close proximity might otherwise have conflicting jurisdiction under this section, the first municipal corporation to exercise such extraterritorial jurisdiction shall thereby acquire exclusive jurisdiction over such territory.

Such plans shall show recommendations for new streets, bridges, parks, parkways, playgrounds and any other public areas or public improvements. Whenever the Commission shall have agreed upon a plan for the development of the Municipality or any portion thereof, such plan or plans shall be submitted to the Mayor and Council for their consideration and action.

Before the final action shall be taken by any municipality or department thereof on the location and design of any public building, public memorial, street, park, parkway, playground or other public area, such question shall be submitted to the Municipal Planning Commission for investigation and report.

Plans of land and streets to be submitted to Commission and approved by Mayor and Council. All plans, plats, or replats of land laid out in building lots, and the streets intended to be dedicated to public use, shall be submitted to the Municipal Planning Commission for their consideration and no such plat or replat shall be filed in the office of the clerk of the county court, as provided by law in other cases, until such plat or replat shall have endorsed upon it the fact that it has first been submitted to the Municipal Planning Commission, and by the Municipal Planning Commission to the Mayor and Council and by the Mayor and Council duly approved.

Commission may employ help; expenses. The Municipal Planning Commission shall have the power and authority to employ engineers and clerks, and/or any other help necessary, and to meet such expenses the Municipal Planning Commission shall submit to the Mayor and Council its budget for each fiscal year, itemizing expenses and amounts, and the purpose. The Council shall thereupon consider such budget and make such allowances to the Municipal Planning Commission as it shall deem proper.

SECTION 24. CHIEF OF POLICE.

The Chief of Police, shall, subject to the directions of the City Manager, have charge of and be responsible for the police force of the City and see that all subordinate police officers faithfully perform their official duties; he shall nominate, and by and with the advice and consent of the Council, a majority of all the councilmen elected concurring by yeas and nays, appoint all the subordinate police officers, he shall be ex officio a constable within the corporate limits of his City; may execute any writ or process issued by the Mayor or justice of the peace at any place in Brooke County. It shall be the duty of the Chief of Police to collect all fines and costs at the time of trial or assessment of said fines and costs by the Mayor, and make monthly reports thereof to the Council and pay said fines and costs and all City moneys that may come into his possession to the City Collector and Treasurer weekly; and he shall have in all respects the same power to enforce the collection of fines and costs as the sheriff of Brooke County now has, or may hereafter have, to enforce the collection and payment of fines and costs; he shall have all the powers, rights and privileges within the corporate limits of the City and anywhere within Brooke County in regard to the arrest of persons, the collection of claims and the execution and return of process, that can be legally exercised by a constable of a district in which the said City is situated, and he and his sureties shall be liable to all fines, penalties and forfeitures that a constable of a district is liable to, for any failure or dereliction in his office, to be recovered in the same manner

and in the same courts that the fines, penalties and forfeitures may be recovered against such constable. All subordinate police officers shall have all the powers, rights and privileges of a constable of the district within the corporate limits of the City, in regard to the arrest of persons and the execution and return of all criminal writs and process issued by the Mayor, but the Council may exempt them from giving the bond required by constables.

The Chief of Police shall before entering upon the duties of his office, execute a bond for the faithful performance by him of the duties of his office, and for the accounting for any paying over as required by law, all the money which may come into his hands by virtue of his office, with sureties satisfactory to the Council in a penalty of two thousand dollars, and shall for his compensation receive a salary of not less than six hundred dollars nor more than one thousand dollars per month during his tenure of office, the same to be affixed by the Council. (Acts 1931, ch. 82; 12-14-54; 2-18-75; 6-19-81)

SECTION 25. CONDEMNATION.

Said City shall have the right to condemn real estate therein for streets, alleys and other purposes of public utility, and proceedings for such condemnations shall be as prescribed in section 54-1-1 et seq., of the Code of West Virginia, and shall be at the expense of said City.

SECTION 26. COUNCIL MEETINGS.

The meetings of Council shall be at such times and places as Council may from time to time prescribe.

SECTION 27. CONDUCT OF ELECTIONS.

Council shall appoint three commissioners and two clerks in each ward, before each annual election, who shall hold the election herein provided for. Said commissioners shall make return of the elections so held by them, to the Council of said City, as soon as practicable after such elections are held; and Council shall thereupon ascertain and publish the result of such election and enter said result upon the journal thereof. The City Clerk shall provide the necessary poll books and ballot boxes for such elections, at the expense of the City, and the provisions of section 3-1-1 et seq., of the Code of West Virginia, insofar as they are applicable thereto, and not inconsistent with the provisions of this Act, shall apply to and govern such elections.

SECTION 28. PAYMENT OF SALARIES.

All salaries herein provided shall be paid monthly or quarterly as determined by Council.

SECTION 29. PREREQUISITES TO APPROPRIATING MONEY.

All propositions involving the appropriation of money shall be read before the Council and referred to the proper committees thereof which shall examine the same and report thereon as soon as practicable and any propositions involving the appropriation of one thousand dollars or more shall not pass unless at least two-thirds of the members of Council are present at the time the same is acted upon.

SECTION 30. ORDINANCES AS EVIDENCE.

All ordinances of said City and all entries in the journal of the Council thereof which shall be printed or published by authority of the Council, or which shall be certified to be corrected by the City Clerk of the City, under the seal thereof, shall be received by all the courts and justices of the State as prima facie correct.

SECTION 31. MAINTENANCE OF ROADS OUTSIDE CITY LIMITS.

The City shall construct, keep in repair and maintain its own roads, streets and alleys and by reason thereof shall not be required to pay any district or county road levies for the construction or maintenance of roads outside of the City limits, except levies to pay the bonded indebtness of the County of Brooke, now outstanding.

SECTION 32. SIDEWALK CONSTRUCTION.

In addition to the method of securing the laying of sidewalks set out in section 20 of this Charter, the Council of said City may cause any sidewalk to be constructed, laid, relaid or otherwise permanently improved in the City of Wellsburg, in the following manner and upon the following terms: Notice shall first be given the abutting property owners by publication for two successive weeks in one newspaper published in said City by giving location of property in front of which sidewalks shall be laid, but no error in said publication shall in any way affect the validity of the certificate hereinafter provided for, or any of them. The contract for same shall, after due advertisement in which Council shall reserve the right to reject any and all bids, be let to the lowest responsible bidder and upon completion and acceptance of the work, Council shall order the Mayor and City Clerk to issue to the contractor doing the work a certificate for the amount of the assessment to be paid by the owner of any lot or fractional part thereof fronting on such sidewalk, and the amount specified in said assessment certificate shall be a lien in the hands of the holder thereof upon the lot or part of a lot fronting on such sidewalk and such certificate shall draw interest from the date of said assessment, and the payment may be enforced in the name of the holder of such certificate by a proper suit in equity in any court having proper jurisdiction to enforce such liens and Council shall fix the amount of such assessment and do all things in connection therewith necessary as is provided for paving or improving streets and alleys and such certificates shall be issued one for each abutting lot or portion thereof payable six months from the date of the completion and acceptance of the work and shall be a lien in the hands of the holder thereof upon the particular lot against which they are assessed in the same way and manner and of the same effect that assessments for street paving liens under the other provisions of this Act created; provided, however, that Council shall not receive any bids or let any sidewalk contract between the first day of October and the first day of March of any year. Nothing in this section shall be so construed as to prevent any abutting lot owners from having his own sidewalk put in if done before the advertising hereinbefore mentioned and provided same is done according to the lines, grades and specifications of the City Engineer, for which no charge shall be made. The total cost of constructing, laying, relaying or otherwise permanently improving any sidewalk or walks shall be borne by the owners of the land abutting upon said sidewalk; corner lots shall be assessed for the amount in front or alongside of said lot and extended to the curb line.

SECTION 33. PUBLICATION OF ANNUAL FINANCIAL STATEMENTS; CONTENTS OF ANNUAL FINANCIAL STATEMENTS, ETC.

The municipal corporation shall cause to be published in two newspapers of opposite politics, if there be such published therein, at a compensation not to exceed the rate provided by law for like publications, for one issue, or, if no such newspaper be published therein, to publish in pamphlet form not less than one hundred copies of a sworn statement of the financial condition of such corporation. Such statement shall contain a summary account of the receipts and expenditures of the City or Municipality showing the source from which all money was derived, and the purpose for which expended, and also a specific statement of the debts of such municipal corporation, showing the purpose for which any debt was contracted, the time it becomes due, the rate of interest, up to what time the interest thereon has been paid, the amount of money in the Treasury at the end of the preceding administration and the debts contracted by it. Such statement shall be prepared by the municipal corporation every twelve months and shall then be printed according to the provisions of this section. Either method of the report shall be sworn to by the recorder, by the Mayor and two members of the City Council. One copy of such printed report shall be delivered to the judge of the judicial district, one to the clerk of the county court, one to the clerk of the circuit court, one shall be kept as a part of the records of the City or municipal corporation, and the remainder shall be held for distribution as called for by the taxpayers. If a City Council fail or refuse to perform the duties hereinbefore named, every member of such Council and the recorder thereof concurring in such failure or refusal shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined not less than ten nor more than one hundred dollars. If any of the provisions of this section are violated, it shall be the duty of the prosecuting attorney of the county in which such violations are made to immediately present the evidence thereof to the grand jury if in session, and if not in session, he shall cause such violation to be investigated by the next succeeding grand jury.

SECTION 34. CITY TAX BILLS.

It shall be the duty of the City Collector and Treasurer to prepare the tax bills which shall be based upon the County assessor's valuation of real and personal property within the City; it shall be the duty of the police officers to make a list of all dogs in the Municipality and the names of the owners thereof which list shall be returned to the Council.

It shall be the duty of the City Collector and Treasurer to collect all taxes, special assessments and other moneys other than fines due the Municipality and he is hereby vested with the same rights to distrain for the same as is vested in the sheriff for the collection of taxes. He shall give bond conditioned according to law in such penalty and with such security as the Council may require and in a sum not less than ten thousand dollars.

SECTION 35. COLLECTION OF TAXES.

The City Collector and Treasurer shall begin the collection of taxes upon the first day of October of each year; when the taxes of any one person or corporation amount to a sum greater than ten dollars they may be collected, the one-half during the month of October and the remaining one-half during the month of April of the following year; all unpaid taxes shall bear interest at the same rate as State and County taxes, thirty days after the same are due.

SECTION 36. TAXES AS A LIEN; UNCOLLECTIBLE TAXES.

There shall be a lien on all real estate within the Municipality for the taxes assessed thereon for municipal purposes. The lien for municipal taxes shall attach and the taxes shall become due at the same time, be subject to the same discount, and bear interest the same rate and from thirty days after due, the same as State and County taxes; and such lien may be enforced by the Council in the same manner provided by law for the enforcement of the lien for State and County taxes, or in such other manner as the Council may by ordinance prescribe. If any real estate within such Municipality be returned delinquent for the nonpayment of the taxes thereon, copies of such delinquent list may be certified by the Council to the auditor, and such real estate may be sold for the taxes, interest and costs of publication thereon, in the same manner, at the same time and by the same officer as real estate is sold for the nonpayment of State and County taxes; provided, that any such delinquent real estate list of any municipality that may be certified to the Auditor as herein provided shall be so certified to them before the first day of September in the year next succeeding that for which such taxes were assessed; provided further, that in all cases where a delinquent list of real estate is certified to the Auditor as aforesaid, the Council shall at the same time certify a like list to the clerk of the county court of the county wherein such real estate is situated and returned delinquent by such Council; and it shall be the duty of such clerk forthwith to record the list so certified to him in the record of delinquent real estate kept in his office, and in which is recorded the delinquent list of real estate returned by the sheriff of his county. The Council shall pay to such clerk for recording such list a reasonable compensation therefor, not to exceed one cent for each parcel of real estate so certified to him and twenty-five cents for recording the certificate of such list.

The City Collector and Treasurer, after ascertaining which of the taxes in the City cannot be collected, shall, on or before the first Monday in June next succeeding the year for which such taxes are assessed, make out an alphabetical list of the taxes on personal property and real property which have not been paid and the Collector and Treasurer returning such list shall at the foot thereof subscribe the following oath: "I, A. B., City Collector and Treasurer of the City of Wellsburg, do swear that the foregoing list is, I verily believe, correct and just; that I have received no part of the taxes for which the persons and property therein mentioned are returned delinquent; and that I have used due diligence to find property within the City liable to distress for such taxes, but have found none."

A copy of every such list shall be posted on the front door of the City Hall at least two weeks before the session of the Council at which they are presented for examination.

SECTION. 37. POWER OF COUNCIL TO PASS ORDERS, ETC., ORDINANCES, ETC.; ENFORCEMENT AND CONSTRUCTION OF ORDINANCES.

To carry into effect the powers conferred upon such Town or its Council, by this chapter or by any future Act of the legislature of the State, the Council shall have power to make and pass all needful orders, bylaws, ordinances, resolutions, rules and regulations, not contrary to the Constitution and laws of this State; and for a violation thereof, to prescribe reasonable fines, penalties and imprisonment in the County jail or the place of

imprisonment in such corporation, if there be one, for a term not exceeding thirty days. Such fines, penalties and imprisonments shall be recovered, imposed or enforced under the judgment of the Mayor of such town or the person lawfully exercising his functions.

The fact that a municipal ordinance vests in the Council or some other body or officer a discretion to do, or refuse to do, a given thing, shall not invalidate such ordinance when it would be impractical to lay down by ordinance for all cases a uniform guide for exercising such discretion. This section shall not be construed to mean that a delegation of discretion in any other case shall necessarily invalidate an ordinance. But, if any case, a delegated discretion is exercised in an arbitrary or discriminatory manner, such ordinance, as so applied, shall be unlawful and void.

SECTION 38. WATER BOARD.

The Council shall appoint a Water Board consisting of five members, each for the term of three years, and their appointments shall be so made that the term of two members shall expire each year for two successive years and the term of one member shall expire each third year. To effect this, one member of the water board shall be appointed for a term of one year ending June 30, 1958, and one member shall be appointed for a term of two years ending June 30, 1959. Thereafter, all appointments shall be for a term of three years. The Board shall appoint from their own number, a president, who shall, when present, act as a chairman at all meetings of the Board. They may also appoint a clerk to have charge of all records. The Board shall have authority, and it shall be their duty; to employ sufficient men; to properly operate the waterworks and pay all proper running expenses of the waterworks; to purchase and pay for all tools and working equipment necessary for the use of their employees; to obtain and pay for the advice and plans of expert hydraulic engineers whenever the Board may consider the same necessary; to make any and all necessary repairs and improvements and to keep on hand such stocks of extra parts of machinery, pipes, various and other extra material of the kind in common use about the waterworks for repairs and for extensions of mains and which may at any time be, in their judgment, prudent to have; provided, that in regard to the improvements and extensions of mains, the matter shall first be submitted to the City Council for their approval.

It is further ordained by the Council of the City of Wellsburg that a written report of each monthly meeting of the Water Board shall be submitted to the City Council at the next regular monthly meeting of the Council.

No member of the Wellsburg Water Board shall be eligible for membership of any other municipal board.

Each prospective member of the Wellsburg Water Board shall first be contacted by the Mayor of the City of Wellsburg, and his verbal acceptance of the appointment shall be obtained from such prospective member subject to approval by the City Council.

Any appointed member of the Wellsburg Water Board who does not attend three consecutive meetings of the Board and does not show just cause for such nonattendance, shall no longer be a member of the Water Board and his appointed office shall be declared vacant by the Council of the City of Wellsburg. (9-10-57)

SECTION 39. TAX LEVY FOR 1931.

The tax levy which was laid in August of the year 1930, having been laid to cover a period of twelve months only, and, by the terms of this Act the beginning and ending of the fiscal year having been changed from the first Monday in May to the first day of July, therefore for the years 1930 and 1931, the fiscal year shall terminate upon the first Monday in May 1931 and the books and all accounts shall close upon that day; the present officers of the City, however, shall hold over and continue their term of office until July first as set forth in section 5 of this Act; when the levy is laid in August 1931, the same will be to take care of the expense of the City from the first Monday in May 1931 to the first day of July, 1932, and may be fourteen-twelfth times the levy authorized to general purposes by section 11-8-7, West Virginia Code, and there shall be a sufficient levy to take care of the sinking fund and interest on the bonded indebtedness of the City for a period of fourteen months.

SECTION 40. VALIDITY OF ORDINANCES, ETC.; ORDINANCES CONFLICTING WITH CHARTER.

All ordinances now in effect shall still remain of full force and virtue, excepting when they are in conflict and inconsistent with this Act, and when in conflict or inconsistent with this Act, that portion of such ordinance or ordinances which are in such conflict or inconsistency are hereby repealed.

SECTION 41. REPEAL OF INCONSISTENT, ETC., ACTS.

All acts and parts of Acts which are in conflict and inconsistent with this Act, are hereby repealed and declared inoperative insofar only as they are in conflict or inconsistent with this Act.

CITY OF WELLSBURG

CITY HALL
WELLSBURG, WV 26070
(304) 737-2104

CERTIFICATE

The undersigned City Clerk of the City of Wellsburg, West Virginia, a municipal corporation, DOES HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the City Charter of the City of Wellsburg, as mended, and that I have compared said City Charter with the original thereof and that it is a correct copy of the whole of said original City Charter, as amended, and that said City Charter, as amended, has not been further altered, amended or repealed and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said City of Wellsburg this 19th day of November, 1993.

Kathleen Trawbert

City Clerk

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Sue Simonetti DO SOLEMNLY SWEAR THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF WELLSBURG, AND WILL DISCHARGE THE DUTIES AS Mayor TO THE BEST OF MY ABILITY, SO HELP ME GOD.

Sue Simonetti
Official's Signature

Attest: Joyce Rumbaugh Chrmnko
~~Mayor~~ of Judge

Date: June 30, 2009

CITY OF WELLSBURG

70 - 7th STREET
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Mary M. Blum, do solemnly swear I will uphold the Constitute of the United States and the State of West Virginia.

And I will uphold the Charter and Code of the City of Wellsburg,

And will discharge the duties as CITY CLERK to the best of my ability

So help me god

Mary M Blum
MARY M BLUM

6-28-2007
DATE

Attest: Joyce Lumbaugh Clemenko

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Bruce Hunter, DO SOLEMNLY SWEAR THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF WELLSBURG, AND WILL DISCHARGE THE DUTIES AS First Ward Council TO THE BEST OF MY ABILITY, SO HELP ME GOD.

Bruce Hunter
Official's Signature

Attest: Jayce Dumbaugh Cyrnenko
~~Mayor~~ or Judge

Date: June 30 2009

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Mike Mitchell DO SOLEMNLY SWEAR THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF WELLSBURG, AND WILL DISCHARGE THE DUTIES AS 1st Ward City Councilperson TO THE BEST OF MY ABILITY, SO HELP ME GOD.

Mary M Blum, City Clerk
Official's Signature

Attest: Sue Symonds
Mayor or Judge

Date: 8-19-10

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Ron Michaux DO SOLEMNLY SWEAR THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF WELLSBURG, AND WILL DISCHARGE THE DUTIES AS 2nd Ward City Councilperson TO THE BEST OF MY ABILITY, SO HELP ME GOD.

Mary M Blum City Clerk
Official's Signature

Attest: Sue Simonetti
Mayor or Judge

Date: 8-19-10

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Tammy Provenzano DO SOLEMNLY SWEAR THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF WELLSBURG, AND WILL DISCHARGE THE DUTIES AS 2nd Ward City Councilperson TO THE BEST OF MY ABILITY, SO HELP ME GOD.

Mary M Blum, City Clerk
Official's Signature

Attest: Sue Simonetti
Mayor or Judge

Date: 8-19-10

CITY OF WELLSBURG

70 - 7th STREET
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Randy Fletcher, do solemnly swear I will uphold the Constitute of the United States and the State of West Virginia.

And I will uphold the Charter and Code of the City of Wellsburg,

And will discharge the duties as CITY COUNCIL PERSON to the best of my ability

So help me god

Randy Fletcher
RANDY FLETCHER

6-28-07
DATE

Attest: Mary M Bloom
CITY CLERK

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, William Smith, DO SOLEMNLY SWEAR THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF WELLSBURG, AND WILL DISCHARGE THE DUTIES AS 3rd Ward Council TO THE BEST OF MY ABILITY, SO HELP ME GOD.

Official's Signature

Attest: Joyce Dumbaugh Czernenko
~~Mayor~~ or Judge

Date: June 30, 2009

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Della Service DO SOLEMNLY SWEAR

THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED

STATES OF AMERICA AND THE STATE OF WEST VIRGINIA,

AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF

WELLSBURG, AND WILL DISCHARGE THE DUTIES AS

4th Ward City Councilperson TO THE BEST OF MY ABILITY,

SO HELP ME GOD.

Mary M Blum
Official's Signature

Attest: Sue Swinnett
Mayor or Judge

Date: 8-19-10

CITY OF WELLSBURG

70 TOWN SQUARE
WELLSBURG, WV 26070
(304) 737-2104
FAX (304) 737-3004

OATH OF OFFICE

I, Jeff Tarr DO SOLEMNLY SWEAR

THAT I WILL UPHOLD THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND I WILL UPHOLD THE CHARTER AND CODE OF THE CITY OF WELLSBURG, AND WILL DISCHARGE THE DUTIES AS

4th Ward City Councilperson TO THE BEST OF MY ABILITY, SO HELP ME GOD.

Jeff Tarr Mary M. Blum
Official's Signature

Attest: Sue Simonetta
Mayor or Judge

Date: 8-19-10

water

Ordinance No. 2010-5-1 Introduced May 12, 2010

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, AND CHARGES THE COMBINED WATER AND SEWAGE SYSTEM BOARD OF THE CITY WILL CHARGE ITS CUSTOMERS FOR THE COLLECTION, TREATMENT AND DISTRIBUTION OF POTABLE WATER.

WHEREAS, The City Council of the City of Wellsburg deems it advisable and necessary that its present water rates and charges for service provided to customers of its water system be increased in order that the City may meet its going-level expenses, and to provide for necessary upgrades to its system in order to meet State and Federal regulatory requirements; and

WHEREAS, the City Council of the City of Wellsburg finds that the following rates are just and equitable for the service provided to its water customers through the use of its water collection and treatment system and that such rates will be sufficient to meet its going-level expenses and for the upgrading, maintenance and operation of its water collection and treatment system.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WELLSBURG as follows:

The following schedule of rates, fees and charges are hereby fixed and determined as the rates, fees and charges to be charged to customers of the water system of the City of Wellsburg throughout within the corporate limits and territory served:

SECTION 1. SCHEDULE OF RATES

CITY OF WELLSBURG (Water) P.S.C. W.VA. Tariff No. 16

SCHEDULE I

Rates Effective on the 45th day after final passage

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and resale service

CUSTOMER CONSUMPTION RATES MONTHLY

First	2,000 gallons used per month	$4.61 per 1,000 gallons
Next	18,000 gallons used per month	$4.28 per 1,000 gallons
All over	20,000 gallons used per month	$2.71 per 1,000 gallons

CUSTOMER SERVICE CHARGE – IN ADDITION TO WATER CONSUMPTION RATES

No bill will be rendered for less than the following:

5/8	inch meter	$9.22 per month
1/4	inch meter	$13.83 per month
1	inch meter	$23.05 per month
1 ½	inch meter	$46.10 per month
2	inch meter	$73.76 per month
3	inch meter	$138.30 per month
4	inch meter	$230.50 per month
6	inch meter	$461.00 per month
8	inch meter	$737.60 per month

FLAT RATE CHARGE (Customers with non-metered water supply)

Each customer shall pay a minimum charge of $29.14 per month
(Equivalent to 4,500 gallons of water usage)

RESALE RATE

The rate to be used when selling water to another water utility for resale:

$3.50 per 1,000 gallons

LEAK ADJUSTMENT INCREMENT PRODUCED

An amount not to exceed $3.00 per 1,000 gallons to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage. The City shall establish a non-discriminatory policy regarding this provision for leak adjustments.

DELAYED PAYMENT PENALTY

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

SERVICE CONNECTION CHARGE

A charge of $150.00, or the actual cost of the connection (solely determined by the City), whichever is greater, shall be made for each new connection to the water system.

SERVICE DISCONNECTING/RECONNECTING CHARGE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $25.00 have been paid.

There shall be a $25.00 re-connection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that City staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $25.00 shall be paid in addition to other charges to prevent disconnection.

SCHEDULE II

Rates Effective on the 45th day after final passage

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for private and public fire protection where service lines are used solely for fire protection and where adequate facilities exist.

If lines used for private fire protection are an integral part of, or tied with, general water service to such consumer, then this schedule will not apply and such customer shall be served under Schedule I.

RATE

Based on the size of the hydrant, whichever is smaller:

Each	2 inch service line or smaller	$3.08 per month
Each	4 inch service line	$12.08 per month
Each	6 inch service line	$27.33 per month
Each	8 inch service line	$48.67 per month

Each 10 inch service line	$76.00per month
Each 12 inch service line	$109.33 per month

DELAYED PENALTY

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

SECTION 2. RULES AND REGULATIONS

The published Rules and Regulations for the Government of Water Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission shall supplement this ordinance.

SECTION 3. EFFECTIVE DATE

The rates, fees and charges provided herein shall be effective 45 days after the enactment hereof.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish notice of this Ordinance as a Class II-0 advertisement in compliance with West Virginia Code §59-3-1, et seq., once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in a newspaper published and of general circulation in the City of Wellsburg, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 9 day of June, 2010, at 7:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper on the premises.

The above Ordinance has been introduced at a meeting of Council held May 12, 2010.

Passed on First Reading May 12, 2010.

Passed on Second Reading Following Public Hearing June 8, 2010.

Effective as of July 23, 2010.

Passed by the Council of the City of Wellsburg, West Virginia, on the 8 day of June, 2010.

By: Sue Simonetta
Mayor

Attest: Mary M Blum
City Clerk

Sewer

Ordinance No. 2010-7-1 Introduced: July 13, 2010

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, AND CHARGES THE COMBINED WATER WORKS AND SEWAGE SYSTEM OF THE CITY WILL CHARGE ITS CUSTOMERS FOR THE COLLECTION, TREATMENT AND DISPOSAL OF SEWAGE WASTE.

WHEREAS, The City Council of the City of Wellsburg deems it advisable and necessary that its present sewage rates and charges for service provided to customers of its sewage system be increased in order that the Combined Water Works and Sewage System Board (the "Utility") may meet its going-level expenses, and to provide for necessary upgrades to its system in order to meet State and Federal regulatory requirements; and

WHEREAS, the City Council of the City of Wellsburg finds that the following rates are just and equitable for the service provided to its sewage customers through the use of its sewage collection and treatment system and that such rates will be sufficient to meet its going-level expenses and for the upgrading, maintenance and operation of its water collection and treatment system.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WELLSBURG as follows:

The following schedule of rates, fees and charges are hereby fixed and determined as the rates, fees and charges to be charged to customers of the sewer system of the City of Wellsburg throughout the entire territory served:

SECTION 1. RULES AND REGULATIONS

The published Rules and Regulations for the Government of Sewer Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission shall supplement this ordinance.

SECTION 2. SCHEDULE OF RATES

CITY OF WELLSBURG (Sewage) P.S.C. W.VA. Tariff No. 8

SCHEDULE I

RATES EFFECTIVE AS OF 45 DAYS AFTER PASSAGE

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial (except for unusual industrial waste) service.

CUSTOMER METERED RATES MONTHLY

First	2,000 gallons used per month	$10.70 per 1,000 gallons
Next	3,000 gallons used per month	$10.01 per 1,000 gallons
Next	10,000 gallons used per month	$9.32 per 1,000 gallons
Next	10,000 Gallons used per month	$7.92 per 1,000 gallons
Next	25,000 Gallons used per month	$6.22 per 1,000 gallons
Next	50,000 Gallons used per month	$4.49 per 1,000 gallons
All Over 100,000 Gallons		$3.80 per 1,000 gallons

MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $21.40 per month.

FLAT RATE CHARGE (Customers with a non-metered water supply)

Each customer shall pay a minimum charge of $46.43 per month. (Equivalent to 4,500 gallons of water usage).

RESALE RATE

The rate for sale of service to another utility (resale rate) shall be $2.44 per thousand gallons.

DELAYED PAYMENT PENALTY

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

SERVICE CONNECTION CHARGE

The following charge shall be made whenever the utility installs a new tap to serve and applicant: A charge of three hundred dollars ($300.00) will be charged to customers applying for service outside of a certificate proceeding before the Public Service Commission for each new tap to the service.

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment fo charges is returned by the customer's bank for any reason.

WATER DISCONNECT/RECONNECT FEES/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills, a disconnection fee of $25.00 shall be charged. Water service will not be restored until all past due sewer bills and all accrued penalties have been paid, as well as a reconnection fee of $25.00.

In the event that any Utility employee or agent collects money at the customer's residence in order to stop disconnection, and administrative fee of $25.00 shall be paid in addition to other charges to prevent disconnection.

SECURITY DEPOSIT

A security deposit in the amount of $50.00 or two-twelfths (2/12) of the average annual usage of the applicant's customer class, whichever is the greater.

LEAK ADJUSTMENT INCREMENT PRODUCED

An amount not to exceed $3.99 per thousand gallons to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage. If not already in place, the Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

SCHEDULE II

RATES EFFECTIVE AS OF 45 DAYS AFTER PASSAGE

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SEWER SYSTEM

Where the Utility has discovered that a customer's roof drain, downspout, storm sewer, or other similar facilities conducting surface water have been connected to the City's sewer system, and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the Utility, in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

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

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall, in inches

.000623 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The Utility's approved rate per thousand gallons of metered water usage.

The Utility shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that is has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customers location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

RATES EFFECTIVE AS OF 45 DAYS AFTER PASSAGE

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

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

$$Ci = VoVi + BoBi + SoSi$$

Ci = Charge to unusual users per year

Vo = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = Volume of wastewater from unusual users, in gallons per year

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

Bi = Weight of BOD from unusual users in pounds per year

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

Si = Weight of total solids from unusual users in pounds per year

Cho = Average unit cost of treatment, chargeable to chemical treatment, in dollars per gallon

Chi = Volume of wastewater from unusual users receiving chemical treatment, in gallons per year.

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

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid b y the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE IV

RATES EFFECTIVE AS OF 45 DAYS AFTER PASSAGE

APPLICABLE INSIDE AND OUTSIDE OF THE CORPORATE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater system by certain industrial plant or plants cannot accurately be determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay tot he Utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge - Each customer shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the *actual capacity* of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank for any reason.

SECTION 3. EFFECTIVE DATE

The rates, fees and charges provided herein shall be effective 45 days after the enactment hereof.

The above Ordinance has been introduced at a meeting of Council held July 13, 2010.

Passed on First Reading August 19, 2010.

Passed on Second Reading Following Public Hearing September 14, 2010.

Effective as of October 29, 2010.

Passed by the Council of the City of Wellsburg, West Virginia, on the 14 day of September, 2010.

By: _____
Mayor

Attest: _____
City Clerk

WATER

WELLSBURG CITY COUNCIL MEETING MINUTES
MAY 12, 2010
CITY HALL---7:00P.M.

PRESENT: BARBARA LUCAS, BRUCE HUNTER, RANDY FLETCHER, BILL SMITH, JOE MCALLISTER

ABSENT: JERRY ADAMS, JUDY COLLEY AND BILL FURIOLI

MOMENT OF SILENCE FOR FORMER COUNCILMAN WAYNE SNEDEKER

MOTION TO GO OUT OF ORDER MADE BY BRUCE HUNTER, 2ND. RANDY FLETCHER: VOTE: 5-0.

10A AND 10E TO PETITIONS AND COMMUNICATIONS

MOTION TO APPROVE THE APRIL 13, 2010 COUNCIL MINUTES MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 5-0

MOTION TO APPROVE THE SPECIAL COUNCIL MEETING APRIL 20, 2010 MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 5-0.

STANDING COMMITTEE REPORTS:
3A PROPERTIES COMMITTEE: RANDY FLETCHER SHOWED THE MAP OF THE STREETS AND ALLEYS AND GAVE REPORT ON PAVING WHICH WILL BE 10C.

3B ORDINANCE COMMITTEE: RANDY FLETCHER GAVE REPORT ON THE MEETING HELD.

SPECIAL COMMITTEE REPORT:
4-A: MAYOR SIMONETTI RECOMMENDED THAT STEVE MITCHELL, JR BE APPOINTED TO THE PARKS & RECREATION COMMITTEE: MOTION TO APPROVE MADE BY RANDY FLETCHER, 2ND. BILL SMITH: VOTE: 5-0. DISCUSSION FOLLOWED ABOUT OLD SHELTER AT THE 4TH. STREET PARK AND HAVING THE BUILDING INSPECTOR TAKE AT LOOK. DISCUSSION FOLLOWED ABOUT MOVING THE FENCE AT THE POOL. INSPECTOR GAVE REPORT AND RECOMMENDED A METAL SPECILIST.

MESSAGE FROM THE MAYOR:
5-A MOTION TO APPOINT TAMMY PROVENZANO TO THE PLANNING COMMITTEE MADE BY BRUCE HUNTER, 2ND. RANDY FLETCHER: VOTE:

5-0

BILL SMITH ASKED FOR JOE MCALLISTER TO HOLD A COMMUNITY SERVICE MEETING TO TALK ABOUT POLICE CRUISERS

PETITIONS AND COMMUNICATIONS:
6A REQUEST TO CLOSE 4TH. STREET FROM RT 2 TO CHARLES STREET ON JULY 3, 2010 FOR 1ST. WARD REUNIONFROM 9A.M. TO 10P.M.: MOTION TO APPROVE MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 5-0

6B LETTER FROM SAM & WILMA STEWART THANKING THE STREET DEPARTMENT, WHEN BAD WIND BLEW THEIR GLASS TABLE INTO THE STREET, COMING TO CLEAN THE BROKEN GLASS UP BEFORE THERE WERE PROBLEMS FROM THE GLASS

6C OHIO VALLEY TRAIL PARTNER: DOUG WYAT AND NORM SCHWERTFEGER. GAVE UPDATE ON THE PROGRESS: 2008 CONNECTING TO WHEELING TRAIL. DESIGNATED A STREET LOOP FROM 16TH. TO CHARLES STREET TO 27TH. TO PLEASANT AVE NORTH. ADOPT AREA AND POSSIBLY HELP PAINTING LINES. MOTION TO REFER TO PROPERTIES BY RANDY FLETCHER, 2ND. BILL SMITH: VOTE: 5-0

6D PARK JACOB- DISCUSSED THAT MONTGOMERY & LUCILLE JACOB DONATING 15TH STREET FROM PLEASANT AVE TO COMMERCE STREET BY QUITCLAIM DEED WITH THE CITY TO PREPARE DEED. CITY ATTORNEY STATED IT WOULD MINIMUAL WORK
MOTION TO BY BRUCE HUNTER TO ACCEPT THE DONATION OF 15TH. STREET TO THE CITY, 2ND. RANDY FLETCHER: VOTE: 5-0

ED PATTERSON, 151 FOREST DRIVE, WELLSBURG SPOKE ABOUT 4TH. STREET PLAYGROUND, CLOSED POOL. ASKED ABOUT THE SPEED BUMPS BEING REMOVED. ALSO DISCUSSED THAT A FENCE WAS BEING PUT ACROSS THE ROADWAY GOING TO THE 4TH. STREET PARK. DISCUSSION FOLLOWED THAT IT IS A RAILROAD RIGHT OF WAY AND A PRIVATE ROAD

CARLA DAVIS, 76 28TH. STREET: NOTHING AT THE 4TH. STREET PARK FOR THE CHILDREN, MATTER REFERRED TO PARKS & RECREATION COMMITTEE

BOARD REPORTS:
7A WATER/SEWER BOARD REPORT
7B BUILDING REPORT

CITY OFFICIAL REPORTS:
8A FINANCE REPORT
8B POLICE REPORT
8C CITY MANAGER REPORT
8D BUILDING/ZONING OFFICER'S REPORT

OLD BUSINESS
9A BUSINESS DEVELOPMENT CORPORATION MOU-MOTION TO TABLE TO REQUEST FOR $3,500 AND MOVE TO THE JUNE MEETING MADE BY RANDY FLETCHER, 2ND. BILL SMITH: VOTE: 5-0

9B RESOLUTION AUTHORIZING MAYOR TO SIGN AGREEMENT FOR PROJECT #05LEDA0672D SEWER PLAN EMERGENCY REPAIR: MOTION TO APPROVE MADE BY BILL SMITH, 2ND. BRUCE HUNTER: VOTE: 5-0

9C-GEESE PROPOSAL: TOM HARDIN GAVE REPORT ABOUT THE PROGRESS: DISCUSSION FOLLOWED

9D POLICE RADIO GRANT-PERMISSION TO SPEND BALANCE OF COPS GRANT: MOTION TO APPROVE MADE BY RANDY FLETCHER, 2ND. BILL SMITH: VOTE: 5-0

NEW BUSINESS:
10A OHIO VALLEY TRAIL PARTNER DOUG WYAT MOVED
10B OLD GARBAGE TRUCK-AUCTION
10C RECOMMEND STREET PAVING: MOTION TO SEND OUT FOR PRICING OF STREET PAVING LIST: MOTION MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 5-0

10D RECOMMENDED ALLEY IDENTICATION PROPOSAL: MOTION TO ACCEPT ALLEY IDENTIFICATION AS RECOMMENDED MADE BY BRUCE HUNTER, 2ND. BILL SMITH: VOTE: 5-0

10E 15TH. STREET-PARK JACOB MOVED

✓ 10F RULE 42-PROPOSED WATER RATE INCREASE: 1ST. READING MOTION TO APPROVE MADE BY BILL SMITH, 2ND. RANDY FLETCHER: VOTE: 5-0

10G: DISCUSSION ABOUT THE PARKING PROBLEM ON TOWN SQUARE AND SIGNS ON TOWN SQUARE

MOTION TO ADJOURN MADE BY BILL SMITH, 2ND. BRUCE HUNTER: VOTE: 5-0

RESPECTFULLY SUBMITTED:

_____

MARY M. BLUM, CITY CLERK

_____

MAYOR SUE SIMONETTI

WATER

WELLSBURG CITY COUNCIL MEETING MINUTES
JUNE 8, 2010
CITY HALL-7:00P.M.

PRESENT: BARBARA LUCAS, BRUCE HUNTER, JERRY ADAMS, JUDY COLLEY, RANDY FLETCHER, BILL SMITH, JOE MCALLISTER, MAYOR SUE SIMONETTI, CITY ATTORNEY WILLIAM CIPRIANI, CITY MANAGER MARK HENNE, CITY CLERK MARY BLUM

ABSENT: BILL FURIOLI

REVIEW OF MINUTES OF MAY 12, 2010 COUNCIL MEETING: MOTION TO APPROVE MADE BY BRUCE HUNTER, 2ND. RANDY FLETCHER: VOTE: 7-0

STANDING COMMITTEE REPORTS:
3-A: PROPERTY COMMITTEE RECOMMENDED TO COUNCIL REVISED PAVING LIST BIDS.
B: HERITAGE TRAIL CROSSING RT 2 AT 27TH. STREET TO PLEASANT: CONERNS ABOUT THE SAFETY AND TALK TO MR. WYAT ABOUT ALTERNATIVE ROUTE

4: SPECIAL COMMITTEE REPORTS: NONE

5 MESSAGE FROM THE MAYOR: THURSDAY OR FRIDAY: RABIES CLINIC AT 1ST. WARD PLAYGROUND
FRIDAY: CERTIFICATES FROM THE STATE FOR SOLAR CROSSING LIGHTS AND PLAYGROUND EQUIPMENT ON TOWN SQUARE WITH LOCAL LEGISLATORS

6 PETITIONS AND COMMUNICATIONS:
6A: MOTION TO APPROVE REQUEST BY WELLSBURG MOOSE LODGE #1564 TO CLOSE 9TH. STREET FROM MAIN TO CHARLES STREET ON JUNE 19, 2010-FROM 8:00A.M. TO 12:00NOON AND AGAIN FROM 4:00P.M. TO 8:00P.M. MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 7-0

6-B JEFF CIONNI-SECURITY CAMERAS INFORMATION: CAMERAS ARE INSTALLED AND UP AND RUNNING.
DISCUSSION FOLLOW ABOUT CAMERAS IN COUNCIL CHAMBERS: 1 MONTH OF VIDEO BACKLOG: CAMERAS AT CITY BUILDING, 18TH STREET PARK, 4TH. STREET, 1ST. WARD PARK, BOAT RAMP & SHELTER AREA AT 12TH. STREET
MOTION TO PUT SWITCH ON CAMERAS IN COUNCIL CHAMBERS TO USE DURING EXECUTIVE SESSIONS MADE BY BILL SMITH, 2ND. BRUCE HUNTER: VOTE: 6-1 VOTING AGAINST RANDY FLETCHER

BILL WILLIAMS SPOKE IN FAVOR OF THE WATER RATE INCREASE.

STEVE TENNANT, PRESIDENT OF THE BROOKE COUNT HUMANE SOCIETY SPOKE ABOUT THE GEESE PROBLEM AND THAT THERE WERE BETTER WAYS AND MORE HUMANE WAYS TO TAKE CARE OF THE GEESE PROBLEM. DISCUSSION FOLLOWED: JUDY COLLEY SPOKE, JOE MCALLISTER. MIKE MITCHELL SPOKE AGAINST KILLING THE GEESE. SAID THERE WAS ALSO A PROBLEM WITH THE DOG DROPPINGS ON THE WALKING TRAIL.

7: BOARD REPORTS:
7-A WATER/SEWER BOARD REPORT AND FINANCIAL: DISCUSSION FOLLOWED ABOUT PROBLEMS WITH THE FINANCES. CITY MANAGER SPOKE ABOUT SOME OF THE ON GOING PROBLEMS. JERRY ADAMS STATED THE CITY MANAGER HAS DONE A GOOD JOB DEALING WITH THE MATTERS. DISCUSSION FOLLOWED.
7-B: BUILDING REPORT:

8: CITY OFFICIAL REPORTS:
8-A FINANCE REPORT
8-B: POLICE REPORT
8-C CITY MANAGER REPORT: CITY MANAGER GAVE OVERALL REPORT.
8-D BUILDING/ZONING OFFICER'S REPORT.

9: OLD BUSINESS:
9-A 2ND. READING ORDINANCE ESTABLISHING AND FIXING RATES, FEES, AND CHARGERS THE COMBINED WATER AND SEWAGE SYSTEM BOARD OF THE CITY OF WILL CHARGE IT'S CUSTOMERS FOR THE COLLECTION, TREATMENT AND DISTRIBUTION OF POTABLE WATER:
JACK MILLER, ACCOUNTANT FOR CITY GAVE EXPLANATION OF RULE 42.
PUBLIC COMMENT: TERRY STEWART ASKED WHEN IT WENT INTO EFFECT: 45DAYS AFTER PASSAGE.
MIKE MITCHELL ASKED IF INCREASE NOT PASSED IF STATE WOULD SET THE RATES.
JOE MCALLISTER ASKED FOR EXPLANATION WHAT % OF INCREASE AND WHAT TYPE OF INCREASE FOR CUSTOMERS WHO USE LESS.
MOTION TO APPROVE MADE BY RANDY FLETCHER, 2ND. BILL SMITH: VOTE: 7-0.

9-B: GEESE PROPOSAL: MOTION FOR CITY TO SPEND $500.00 ON PROGRAM TO REMOVE GEESE MADE BY JOE MCALLISTER, 2ND. JUDY COLLEY: VOTE: 5-2 VOTING AGAINST BRUCE HUNTER AND BILL SMITH.

DISCUSSION ABOUT THE METHOD OF GEESE REMOVAL. BRUCE HUNTER STATED HE IS NOT FOR KILLING THE GEESE THIS WAY.

9-C: LIABILITY INSURANCE BIDS: MOTION TO GIVE AUTHORITY TO THE CITY MANAGER TO CHOOSE THE BEST BEST PROGRAM FOR THE CITY MADE BY JUDY COLLEY, 2ND. RANDY FLETCHER: VOTE: 7-0.

9-D: SALT GARAGE ROOF BIDS: MOTION TO APPROVE BID BY JEFFREY SMUTHWAITE, INC. BID OF $8,250.00 MADE BY RANDY FLETCHER, 2ND. BILL SMITH: VOTE: 7-0.

9-E: STREET PAVING BIDS: MOTION TO SUBMIT REVISED STREET PAVING LIST TO LASH CONTRACTING MADE BY RANDY FLETCHER, 2ND. JUDY COLLEY: VOTE: 7-0.

9-F: YANKEE TRAIL EXTENSION: MOTION TO TABLE MADE BY RANDY FLETCHER, 2ND. BILL SMITH: VOTE: 7-0.

NEW BUSINESS:

10-A MOTION TO PROCEED WITH PLAYGROUND EQUIPMENT AS RECOMMENDED MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 7-0.

10-B MOTION TO APPROVE K-9 DOG PURCHASE MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 7-0.

EXECUTIVE SESSION TO BE HELD JUNE 10, 2010@6:00P.M.
MOTION TO ADJOURN MADE BY RANDY FLETCHER, 2ND. JUDY COLLEY: VOTE: 7-0

RESPECTFULLY SUBMITTED:

_____

MARY BLUM, CITY CLERK

_____

MAYOR SUE SIMONETTI

Sewer RATES

SPECIAL WELLSBURG CITY COUNCIL MEETING MINUTES
AUGUST 19, 2010
CITY HALL-7:00P.M.

PRESENT: BRUCE HUNTER, RANDY FLETCHER, BILL SMITH, MAYOR SUE SIMONETTI, CITY ATTORNEY WILLIAM CIPRIANI, CITY MANAGER MARK HENNE, CITY CLERK MARY BLUM

1. ROLL CALL

2. Motion to go into Executive Session for appointment of new council people Made by Bill Smith, 2nd. Randy Fletcher: Vote: 3-0

2. Motion to return to Regular Meeting made by Bill Smith, 2nd. Bruce Hunter: Vote: 3-0

3. Appointment of New Council Members and Oath of Office

Motion to appoint and accept Mike Mitchell to replace 1st. Ward Councilperson Barbara Lucas made by Randy Fletcher, 2nd. Bruce Hunter: Vote: 3-0

Motion to appoint and accept Tammy Provenzano to replace 2nd. Ward Councilperson Joe McAllister made by Randy Fletcher, 2nd. Bill Smith Vote: 2-1 Bruce Hunter voting against

Motion to appoint and accept Ron Michaux to replace 2nd. Ward Councilperson Bill Furioli made by Randy Fletcher, 2nd. Bill Smith: Vote: 3-0

Motion to appoint and accept Della Serviez to replace 4th. Ward Councilperson Judy Colley made by Bill Smith, 2nd. Bruce Hunter: Vote: 3-0

Motion to appoint and accept Jeff Tarr to replace 4th. Ward Councilperson Jerry Adams made by Bruce Hunter, 2nd. Randy Flecther: Vote: 3-0

Oaths of Office given by City Clerk Mary Blum and Mayor Sue Simonetti

Motion to take a 15 minute recess made by Randy Fletcher, 2nd. Bill Smith: Vote: 8-0

Motion to return to regular session made by Randy Fletcher, 2nd. Bill Smith: Vote: 8-0

OLD BUSINESS:

10-A. 2nd. Reading of Noise Ordinance: Motion to postpone made by Jeff Tarr, 2nd. Ron Michaux: Vote: 8-0

10-B. 1st. Reading of Sewer Ordinance: Motion to to approve made by Randy Fletcher, 2nd. Bruce Hunter: Vote: 8-0

10-C 1st. Reading Ordinance Authorizing Desing of Betterments and Improvements of the Water Treatment Plant: Motion to approve Made by Ron Michaux, 2nd. Mike Mitchell: Vote: 8-0

NEW BUSINESS:

11-A. Motion to approve Condemation of property located at 601 High Street made by Randy Fletcher, 2nd. Della Serevicz: Vote: 8-0

Motion to accept bid from Pulice Demolition for $11,495.00 to Include filling in of property and seeding and accept deed to the Property made by Ron Michaux, 2nd. Mike Mitchell: Vote: 8-0

Motion to Adjourn Meeting made by Bill Smith, 2nd. Tammy Provezano: Vote: 8-0.

Respectfully submitted:

Mary M. Blum, City Clerk

Mayor Sue Simonetti

Wate

NOTICE
CITY OF WELLSBURG

Notice is hereby given that the City of Wellsburg, a municipal corporation, will hold a public comment period before the final vote on a proposed ordinance, the principal object of which is the increase of water rates for customers of the water system operated by the City of Wellsburg. The title of such ordinance is "An Ordinance Establishing and Fixing Rates, Fees and Charges the Combined Water and Sewage System Board of the City Will Charge its Customers for the Collection, Treatment, and Distribution of Potable Water". The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the City of Wellsburg, City Hall, 70 Town Square, on June 8, 2010, meeting beginning at 7:00 p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the City Hall.
Int., May 21, 28, 2010

STATE OF WEST VIRGINIA,
COUNTY OF OHIO.

I Connie Balle *for the publisher of the* **Intelligencer** *newspaper published in the CITY OF WHEELING, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:*

5-22-10 5-29-10

Given under my hand this 3rd
day of June, 2010

Sworn to and subscribed before me this 3rd
day of June, 2010 *at WHEELING, OHIO COUNTY, WEST VIRGINIA*

Kathleen D Fugate
Notary Public

of, in and for OHIO COUNTY, WEST VIRGINIA.

My Commission expires Mar 22, 2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHLEEN D. FUGATE
R.D. 1, Box 125B
Dallas, West Virginia 26036
My Commission Expires Mar. 22, 2014

walm

CERTIFICATE OF PUBLICATION

The Brooke County Review

Brooke County

Wellsburg, West Virginia

I, J.W. George Wallace, publisher of the Brooke County Review, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby Certify that the attached advertisement was duly published in said Newspaper for 2 successive week(s) in the issues of

May 21 & 28, 2010

Given under my hand this 28th day of May, 2010.

Publisher of the Brooke County Review

Printer's Fee $ 36.23

Subscribed and sworn to this 28th day of May, 2010.

Kristine J. Roberts

My commission expires October 10, 2018.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KRISTINE J. ROBERTS
120 Whitehall Place
Follansbee, West Virginia 26037
My Commission Expires Oct. 10, 2018

NOTICE
CITY OF WELLSBURG

Notice is hereby given that the City of Wellsburg, a municipal corporation, will hold a public comment period before the final vote on a proposed ordinance, the principal object of which is the increase of water rates for customers of the water system operated by the City of Wellsburg. The title of such ordinance is "An Ordinance Establishing and Fixing Rates, Fees, and Charges the Combined Water and Sewage System Board of the City Will Charge Its Customers for the Collection, Treatment, and Distribution of Potable Water." The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the City of Wellsburg, City Hall, 70 Town Square, on June 8, 2010, meeting beginning at 7:00 p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the City Hall.

(May 21 & 28)

Tariff Form No. 12.
(Tariff Rule 44)

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that City of Wellsburg (name of utility) public utility, has adopted by ordinance on June 8, 2010 (date) a tariff containing increased rates, tolls and charges for furnishing water (type of utility service) service to 1593 (number of customers) customers at Wellsburg (name localities), in the County(ies) of Brooke.

The proposed increased rates and charges will become effective July 23, 2010 (date) unless otherwise ordered by the Public Service Commission and will produce approximately $191,031.00 annually in additional revenue, an increase of 30.4%. The average monthly bill for the various classes of customers will be changed as follows:

	($)INCREASE	INCREASE(%)
Residential		
4500 gal	$ 7.95	37.5 %
Commercial		
4500gal	$ 7.95	37.5 %
Industrial		
4500 gal	$ 7.95	37.5 %
Resale		
5149413 gal	$ 2966.00	19.7 %
Other		
4500 gal	$7.95	37.5 %

Resale customers of City of Wellsburg (name of utility) include Washington Pike PSD (list all resale customers by name)

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

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

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

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

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

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at any of the following offices of the utility

(List with each publication only those offices applicable)

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323

Intelligencer June 12, 19, 2010

with

STATE OF WEST VIRGINIA,
COUNTY OF OHIO.

I Connie Ballen *for the publisher of the* **Intelligencer** *newspaper published in the CITY OF WHEELING, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:*

6-12-10 6-19-10

Given under my hand this 21st *day of* June, 2010

Sworn to and subscribed before me this 21st *day of* June, 2010 *at WHEELING, OHIO COUNTY, WEST VIRGINIA*

Kathleen D Fugate
Notary Public

of, in and for OHIO COUNTY, WEST VIRGINIA.

My Commission expires Mar 22, 2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHLEEN D. FUGATE
R.D. 1, Box 125B
Dallas, West Virginia 26036
My Commission Expires Mar. 22, 2014

water

CERTIFICATE OF PUBLICATION

The Brooke County Review

Brooke County

Wellsburg, West Virginia

I, J.W. George Wallace, publisher of the Brooke County Review, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby Certify that the attached advertisement was duly published in said Newspaper for 2 successive week(s) in the issues of June 18 & 25, 2010

Given under my hand this 25th day of June, 2010.

Publisher of the Brooke County Review

Printer's Fee $ 171.57

Subscribed and sworn to this 25th day of June, 2010.

Francesca Clements

My commission expires October 10, 2018.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
FRANCESCA CLEMENTS
Brooke County Review
P.O. Box 591
Wellsburg, West Virginia 26070
My Commission Expires June 10, 2020

Tariff Form No. 12
(Tariff Rule 44)

TARIFF NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the City of Wellsburg (name of utility) public utility, has adopted by ordinance on June 8, 2010 (date) a tariff containing increased rates, tolls and charges for furnishing water (type of utility service) service to 1593 (number of customers) customers at Wellsburg (name localities) in the County(ies) of Brooke.

The proposed increased rates and charges will become effective July 23, 2010 (date) unless otherwise ordered by the Public Service Commission and will produce approximately $191,031.00 annually in additional revenue, an increase of 30.4%. The average monthly bill for the various classes of customers will be changed as follows:

	($) Increase	Increase (%)
Residential 4500 gal	$7.95	37.5%
Commercial 4500 gal	$7.95	37.5%
Industrial 4500 gal	$7.95	37.5%
Resale 5149143 gal	$2966.00	19.7%
Other 4500 gal	$7.95	37.5%

Resale customers of the City of Wellsburg (name of utility) include Washington Pike PSD (list all resale customers by name).

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

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility, or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination, or

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

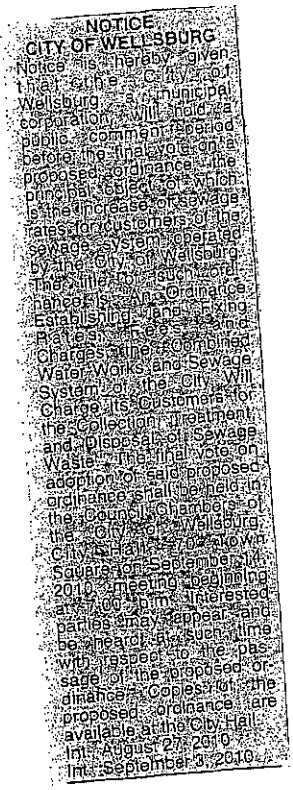
All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

(List with each publication only those offices applicable.)

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

June 18 & 25

Sewer



NOTICE
CITY OF WELLSBURG
Notice is hereby given that the City of Wellsburg, a municipal corporation, will hold a public comment period before the final vote on a proposed ordinance, the principal object of which is the increase of sewage rates for customers of the sewage system operated by the City of Wellsburg. The title of such ordinance is: An Ordinance Establishing and Fixing Rates, Fees and Charges, the Combined Water Works and Sewage System of the City Will Charge its Customers for the Collection, Treatment and Disposal of Sewage Waste. The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the City of Wellsburg, City Hall, 70 Town Square on September 14, 2010, meeting beginning at 7:00 p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the City Hall.
Int. August 27, 2010
Int. September 3, 2010

STATE OF WEST VIRGINIA,
COUNTY OF OHIO.

I Connie Baller *for the publisher of the* **Intelligencer** *newspaper published in the CITY OF WHEELING, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:*

8-27-10 9-3-10

Given under my hand this 9th *day of* Sept, 2010

Sworn to and subscribed before me this 9th *day of* September, 2010 *at WHEELING, OHIO COUNTY, WEST VIRGINIA*

Jean Barnes
Notary Public

of, in and for OHIO COUNTY, WEST VIRGINIA.

My Commission expires April 12, 2010

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JEAN BARNES
519 Main Street
Benwood, West Virginia 26031
My Commission Expires Apr. 12, 2015

Sewer

CERTIFICATE OF PUBLICATION

The Brooke County Review

Brooke County

Wellsburg, West Virginia

I, J.W. George Wallace, publisher of the Brooke County Review, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby Certify that the attached advertisement was duly published in said Newspaper for 2 week(s) in the issues of August 27 & September 3, 2010

Given under my hand this 3rd day of September, 2010.

Publisher of the Brooke County Review

Printer's Fee $ 39.85

Subscribed and sworn to this 3rd day of September, 2010.

Francesca Clements

Notary Public

My commission expires June 10, 2020.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
FRANCESCA CLEMENTS
Brooke County Review
P. O. Box 591
Wellsburg, West Virginia 26070
My Commission Expires June 10, 2020

NOTICE
CITY OF WELLSBURG

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CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF BOND ORDINANCE,
SUPPLEMENTAL RESOLUTION AND SWEEP RESOLUTION

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

*** *** ***

The Council of the City of Wellsburg met in regular session, pursuant to notice duly posted, on the 8th day of February, 2011, in Brooke County, West Virginia, at the hour of 7:00 p.m.

PRESENT:

Sue Simonetti, Mayor
Mary Blum, City Clerk
Bruce Hunter, Councilmember
Mike Mitchell, Councilmember
Tammy Provenzano, Councilmember
Ron Michaux, Councilmember
Randy Fletcher, Councilmember
William Smith, Councilmember
Della Serevicz, Councilmember
Jeff Tarr, Councilmember

Tom Aman, Steptoe & Johnson

ABSENT: None

Sue Simonetti, Mayor, presided, and Mary Blum, acted as City Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF WELLSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF WELLSBURG OF NOT MORE THAN $350,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Randy Fletcher and seconded by Bruce Hunter, it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF WELLSBURG; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Randy Fletcher and seconded by Ron Michaux, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

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

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CERTIFICATION

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

Dated: February 24, 2011

Mary M Blum
City Clerk

952630.00004

WELLSBURG CITY COUNCIL MEETING MINUTES
DECEMBER 14, 2010
CITY HALL---7:00P.M.

PRESENT: BRUCE HUNTER, MIKE MITCHELL, JEFF TARR, RANDY FLETCHER, BILL SMITH, TAMMY PROVENZANO, RON MICHAUX, MAYOR SUE SIMONETTI, CITY ATTORNEY WILLIAM CIPRIANI, CITY MANAGER MARK HENNE, CITY CLERK MARY BLUM

ABSENT: DELLA SEREVICZ

REVIEW OF NOVEMBER 09, 2010 COUNCIL MEETING MINUTES: MOTION TO APPROVE: RANDY FLETCHER, 2ND. JEFF TARR: VOTE: 7-0

3. STANDING COMMITTEE REPORT: NONE
4. SPECIAL COMMITTEE REPORT:

5. MESSAGE FROM THE MAYOR: WELCOME OF NEW MEMBER OF THE WELLSBURG POLICE DEPARTMENT: RYAN CHILDERS

   WISHED EVERYONE MERRY CHRISTMAS AND INVITED ALL TO ATTEND THE NEW YEARS CELEBRATION

6. PETITIONS AND COMMUNICATIONS:
   6-A. LETTER FROM WV DIVISION OF HIGHWAYS-FYI
   6-B. LETTER FROM FRAN CUOMO RE: MEDIAN STRIP
   6-C. NEW YEARS EVE CELEBRATION

7. BOARD REPORTS:
   7-A. WATER/SEWER BOARD
   7-B. BUILDING REPORT

9. OLD BUSINESS:
   9-A. AN ORDINANCE OF THE CITY COUNCIL OF WELLSBURG WEST VIRGINIA, APPROVING AND ENACTING 2010 REPLACEMENT PAGES TO THE CITY'S CODIFIED ORDINANCES: 2ND. READING: MOTION TO APPROVE MADE BY RON MICHAUX, 2ND. MIKE MITCHELL: VOTE: 7-0

9-B. AN ORDINANCE OF THE COUNCIL OF THE CITY OF WELLSBURG AMENDING AND REVISING ARTICLE 105 OF THE ADMINISTRATIVE CODE OF THE CITY OF WELLSBURG, MODIFYING THE FILING PROCEDURE FOR CANDIDATES IN MUNICIPAL ELECTIONS-2ND. READING: MOTION TO APPROVE MADE BY JEFF TARR, 2ND. RON MICHAUX: VOTE: 7-0

10. NEW BUSINESS:

10B: BOND ORDINANCE PROVIDING FOR THE ISSUANCE OF ITS COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE: MOTION TO APPROVE MADE BY RANDY FLETCHER, 2ND. BRUCE HUNTER: VOTE: 7-0.

JACK KNOX OF EAGLES THANKED THE CITY AND THE WORKERS FOR THE FAST REPAIR DURING A WATER LINE BREAK IN FRONT OF EAGLE'S PLANT ON CHARLES STREET.

MOTION TO EXECUTIVE SESSION MADE BY BRUCE HUNTER, 2ND. TAMMY PROVENZANO: VOTE: 7-0

MOTION TO RETURN TO REGULAR MEETING MADE BY REGULAR SESSION MADE BY MIKE MITCHELL, 2ND. TAMMY PROVENZANO: VOTE: 7-0

MOTION TO ADJOURN MEETING MADE BY BILL SMITH, 2ND. MIKE MITCHELL: VOTE: 7-0.

RESPECTFULLY SUBMITTED:

MARY M. BLUM, CITY CLERK

MAYOR SUE SIMONETTI

NOTICE OF PUBLIC HEARING ON THE CITY OF WELLSBURG BOND ORDINANCE

A public hearing will be held on the followingentitled Ordinance at a regular meeting of the Council of the City of Wellsburg (the "City") to be held on Tuesday, February 8, 2011, at 7:00 p.m. at the City Hall, Wellsburg, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF WELLSBURG AND THE FINANCING OF THE COST THEREOF NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF WELLSBURG OF NOT MORE THAN $350,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The abovequoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The Bonds are payable from the revenues derived from the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the City of Wellsburg on January 11, 2011. A certified copy of the aboveentitled Ordinance is on file with the City for review by interested parties during regular office hours.

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

Mark Henne
City Manager

Jan 28 & Feb 4, 2011

CERTIFICATE OF PUBLICATION

The Brooke County Review

Brooke County

Wellsburg, West Virginia

I, J.W. George Wallace, publisher of the Brooke County Review, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby Certify that the attached advertisement was duly published in said Newspaper for 2 successive week(s) in the issues of

January 28 + February 4, 2011

Order 2273

Given under my hand this 4th day of February, 2011.

Publisher of the Brooke County Review

Printer's Fee $ 111.34

Subscribed and sworn to this 4th day of February, 2011.

Kristine J. Roberts
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KRISTINE J. ROBERTS
120 Whitehall Place
Follansbee, West Virginia 26037
My Commission Expires Oct. 10, 2018

My commission expires 10/10/2018

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 2/24/2011

ISSUE: City of Wellsburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program

ADDRESS: 70 Seventh Street, Wellsburg, WV 26070 COUNTY: Brooke

PURPOSE OF ISSUE:
New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 2/24/2011
CLOSING DATE: 2/24/2011
ISSUE AMOUNT: $307,661
RATE: 0%; 0.5% Admin Fee
1ST DEBT SERVICE DUE: 6/1/2012
1ST PRINCIPAL DUE 6/1/2012
1ST DEBT SERVICE AMOUNT $2,025
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Main Street Bank
Contact: Roberta Furka
Phone: 304.232.2001

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Mark Henne
Position: City Manager
Phone: 304.737.2104

OTHER:
Agency: WV Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: 304.926.0499 x 1608

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____	Accrued Interest:	$
____	Capitalized Interest:	$
____	Reserve Account:	$
____	Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____	To Escrow Trustee	$
____	To Issuer	$
____	To Cons. Invest. Fun	$
____	To Other: ____	$

NOTES: The Series 2011 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Main Street Bank, Wheeling, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Wellsburg (the "Issuer") enacted by the Issuer on February 8, 2011, and a Supplemental Resolution adopted by the Issuer on February 8, 2011 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated February 24, 2011, in the aggregate principal amount of $307,661 (the "Series 2011 A Bonds"), and agrees to serve as Depository Bank in connection with the Series 2011 A Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 24th day of February, 2011.

MAIN STREET BANK

Its: Authorized Officer

02.02.11
952630.00004

5508062

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Wellsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated February 24, 2011, in the aggregate principal amount of $307,661 (the "Series 2011 A Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2011 A Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2011 A Bonds.

WITNESS my signature on this 24th day of February, 2011.

THE HUNTINGTON NATIONAL BANK
Charleston, West Virginia

By: _____
Its Authorized Officer

02.02.11
952630.00004

5508060

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

The Huntington National Bank, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certifies that on the date hereof, the single, fully registered Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the City of Wellsburg (the "Issuer"), dated February 24, 2011, in the principal amount of $307,661, numbered AR-1, were registered as to principal and interest, if any, in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature on this 24th day of February, 2011.

THE HUNTINGTON NATIONAL BANK
Charleston, West Virginia

By: _____
Its: Authorized Officer

02.02.11
952630.00004

5508055

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of February, 2011, by and between the CITY OF WELLSBURG, municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $307,661 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), pursuant to a Bond Ordinance of the Issuer duly enacted February 8, 2011, and a Supplemental Resolution of the Issuer duly adopted February 8, 2011 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2011 A Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2011 A Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Series 2011 A Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of Wellsburg
70 Seventh Street
Wellsburg, West Virginia 06070
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2011 A Bonds in accordance with the Bond Legislation.

9. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies

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

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF WELLSBURG

Mayor

THE HUNTINGTON NATIONAL BANK
Charleston, West Virginia

By: _____
Its: Authorized Officer

02.02.11
952630.00004

5508054

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date February 24, 2011

City of Wellsburg
Account Number 6089001809

City of Wellsburg
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2011 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR February, 2011

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2010

February 24, 2011

City of Wellsburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon a certificate of Griffith & Associates, PLLC, independent certified public accountants and an opinion of Steptoe & Johnson PLLC, as bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative for West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amounts of the Series 1993 Bonds and Series 2010 A Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), in the original aggregate principal amount of $307,661, (the "Bonds"), by the City of Wellsburg (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia SRF Program) (the "Series 1993 Bonds"), and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated October 27, 2010, issued in the original aggregate principal amount of $215,000 (the "Series 2010 A Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Carol A. Cummings

Authorized Representative

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street S.E.
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

July 20, 2010

Honorable Sue Simonetti
Mayor, City of Wellsburg
70 7th Street
Wellsburg, WV 26070

RE: City of Wellsburg
Wastewater Collection System
Plans & Specifications Approval
SRF No. C-544362
EPA No. XP-983497

Dear Mayor Simonetti:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Elbert N. Morton, P.E., at (304) 926-0499, ext. 1589.

Sincerely,

Mike Johnson, P.E.
Program Manager
Clean Water SRF Program

MJ/em

cc: Craig O. Richards, P.E., Burgess & Niple
Bruce Smith, EPA

OWR Permit Details

(1)OWR Permit	
PERMITTEE	WELLSBURG CITY OF
DEP OFFICE	OWR
PERMIT ID	WV0026832
ISSUE/REISSUE DATE	01/11/10
EXPIRATION DATE	01/10/15
FACILITY NAME	WELLSBURG CITY OF
DESCRIPTION	
No. of CUSTOMERS	3600
DISTURBED ACRES	
SLUDGE TONNAGE	
DESIGN FLOW(MGD)	1.250000
AVERAGE FLOW(MGD)	
MAJOR FACILITY	Y
EXTENSION DATE	

(2) County / Quad	
County: Brooke	Quad: STEUBENVILLE EAST
County: Brooke	Quad: STEUBENVILLE WEST

(22) Inspectable Units	
INSPECTABLE UNIT CODE	TYPE
C007	Combined Sewer Overflow
C006	Combined Sewer Overflow
C005	Combined Sewer Overflow
C004	Combined Sewer Overflow
C003	Combined Sewer Overflow
C002	Combined Sewer Overflow
C011	Combined Sewer Overflow
C010	Combined Sewer Overflow
C009	Combined Sewer Overflow
C008	Combined Sewer Overflow
ENTIRE	Entire Default
IU01	Industrial Users(Pretreatment)
IU04	Industrial Users(Pretreatment)
IU02	Industrial Users(Pretreatment)
IU05	Industrial Users(Pretreatment)
IU06	Industrial Users(Pretreatment)

IU03	Industrial Users(Pretreatment)
201	Internal Outlet
101	Internal Outlet
001	Outlet
012	Outlet
S01	Sludge

(22) Permit Geography

INSPECTABLE UNIT CODE:	001	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	012	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'0"	
LONGITUDE:	80° 37'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	101	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	201	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C002	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C003	**Show Map**
MAGISTERIAL DIST:		

NEAREST POST OFFICE:		
LATITUDE:	40° 16'7.0000"	
LONGITUDE:	80° 36'52.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C004	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'11.0000"	
LONGITUDE:	80° 36'51.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C005	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'15.0000"	
LONGITUDE:	80° 36'51.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C006	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'18.0000"	
LONGITUDE:	80° 36'50.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C007	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'25.0000"	
LONGITUDE:	80° 36'50.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C008	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'30.0000"	
LONGITUDE:	80° 36'50.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C009	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 17'15.0000"	
LONGITUDE:	80° 36'46.0000"	
COUNTY:		

	Brooke	
INSPECTABLE UNIT CODE:	C010	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 17'17.0000"	
LONGITUDE:	80° 36'45.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	C011	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 17'20.0000"	
LONGITUDE:	80° 36'45.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	ENTIRE	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	IU01	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'0"	
LONGITUDE:	80° 37'0"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	IU02	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	IU03	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'0"	
LONGITUDE:	80° 37'0"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	IU04	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		

LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	IU05	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 16'0"	
LONGITUDE:	80° 37'0"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	IU06	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	
INSPECTABLE UNIT CODE:	S01	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	40° 15'54.0000"	
LONGITUDE:	80° 36'57.0000"	
COUNTY:	Brooke	

ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 10/13/2010

PRODUCER (304)232-1300 FAX (304)233-1732
Bippus Chison and Foose
P. O. Box 431
Wheeling, WV 26003

Attn Ext

INSURED
WELLSBURG, CITY OF
70 - 7TH STREET
WELLSBURG, WV 26070

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A: Cincinnati Insurance Co
COMPANY B:
COMPANY C:
COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
	X PROPERTY	CAP5800504	10/01/2008	10/01/2011	BUILDING	$
	CAUSES OF LOSS				PERSONAL PROPERTY	$
	BASIC				BUSINESS INCOME	$
	BROAD				EXTRA EXPENSE	$
A	X SPECIAL				X BLANKET BUILDING	$ 7,050,000
	EARTHQUAKE				X BLANKET PERS PROP	$ 2,015,000
	FLOOD				BLANKET BLDG & PP	$
						$
						$
	X INLAND MARINE	CAP5800504	10/01/2008	10/01/2011	X Traffic Cont. Systems (6)	$ 65,000 EA.
	TYPE OF POLICY					$
A						$
	CAUSES OF LOSS					$
	NAMED PERILS					$
	X OTHER					$
	CRIME					$
	TYPE OF POLICY					$
						$
	BOILER & MACHINERY					$
						$
	OTHER					

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY

SPECIAL CONDITIONS/OTHER COVERAGES
The following certificate holder is named as an additional insured under the above captioned policy.

CERTIFICATE HOLDER FAX (304)353-8181

WV WATER DEVELOPMENT AUTHORITY
180 ASSOCIATION DRIVE
CHARLESTON, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Elias Joseph/LIN

©ACORD CORPORATION 1995

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

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

Date: **February 24, 2011**

Re: **City of Wellsburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program)**

1. DISBURSEMENTS TO CITY OF WELLSBURG

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2011 A Bonds Proceeds
Amount:	$17,160
Form:	Wire
Payee:	City of Wellsburg, 70 Seventh Street, Wellsburg, WV 26070
Bank:	Federal Home Loan Bank, Pittsburgh, Pennsylvania
Routing #:	043001435
To Credit Bank:	Main Street Bank, 2001 Main Street, Wheeling, West Virginia 26003
Account #:	2213281
Contact:	Robert Furka, 304.232.2001
Account:	Series 2011 A Bonds Construction Trust Fund

02.02.11
952630.00004

Rev. 10/01/04

PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Wellsburg

ADDRESS: 70 Town Square

Wellsburg, WV 26070

PHONE: (304) 737-2104

FEIN:

2. SRF PROJECT C-544

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST:
FROM (MO/DAY/YR) TO (MO/DAY/YR)
9/19/2010 1/26/2011

5. PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETION 0

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED TOTALS	C) THIS REQUEST	D) TOTAL COLUMNS B & C	E) AGENCY USE ONLY
1) CONSTRUCTION	$ 92,559.00			$ -	
a. Equipment					
2) TECHNICAL SVC					
a. Basic	$ 27,800.00		$ ~~1,660.05~~		
b. Engineering (Other)	$ 10,000.00				
c. Inspection	$ 87,600.00				
3) PLANNING					
4) DESIGN COSTS					
5) LEGAL/FISCAL	$ 6,000.00				
6) ADMINISTRATIVE	$ 17,111.00		1660.05		
7) ACCOUNTING	$ 6,491.00				
8) CONTINGENCY	$ 42,600.00				
9) MISC (RR PERMITS	$ 2,000.00				
10) RESERVE FUND				$ -	
11) CLOSING COST	$ 15,500.00		$ 15,500.00	$ 15,500.00	
12) SUBTOTAL	$ 307,661.00	$ -	$ 17,160.05	$ 17,160.05	
13) LESS PREVIOUSLY PAID					
14) INVOICE AMOUNT					

15) Sue Simonetti
RECIPIENT AUTHORIZED SIGNATURE
DATE: 1-26-11
Sue Simonetti, Mayor
TYPED OR PRINTED NAME AND TITLE

16) Barb Zimnox
PERSON PREPARING FORM SIGNATURE
DATE: 1/26/11
Barb Zimnox, Project Administrator
TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

PROJECT REVIEWER | DATE

AUTHORIZED OFFICER | DATE

ACCOUNTING CLASSIFICATION - DEP USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350 - 1 350 - 2	

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street S.E.
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

February 14, 2011

Honorable Sue Simonetti
Mayor, City of Wellsburg
70 7th Street
Wellsburg, West Virginia 26070

RE: City of Wellsburg
SRF No. C-544362

Dear Mayor Simonetti:

The first loan reimbursement request in the amount of $17,160 has been approved by this office. The pre closing will be held on February 23, 2011 at 1:00 p.m. at the Water Development Authority's office at 180 Association Drive, Charleston, WV 25311 (Northgate Business Park off Greenbrier Street). These funds will be wired to your projects Construction Account at the Main Street Bank in Wheeling, West Virginia on February 24, 2011.

Enclosed is the approved RF-91 payment form that was processed by our office.

If you have any questions please contact John Rogers at (304) 926-0499 ext.1602 or John.R.Rogers@wv.gov .

Sincerely,

Rosalie Brodersen

Rosalie Brodersen
Management Section Manager
Clean Water SRF Program

RB/jr

Enclosure

Cc: Samme Gee, Jackson & Kelly
John Stump, Steptoe & Johnson
BHJ P&DC

DEBIT CONFIRMATION

Transaction reference number: 20110224000004066 **Value Date:** 11/02/24

Account number: 17

Account name: WV STATE TREASURER'S OFFICE
1 PLAYERS CLUB DRIVE
CHARLESTON WV 25311-1638

Reference number: 0224E3QP021C000564

Transaction Posting Time: 2011/02/24 10:33:27

Amount: 17,160.00 **Currency:** US dollar

Debit Party Information: 17/
WV STATE TREASURER'S OFFICE
1 PLAYERS CLUB DRIVE
CHARLESTON WV 25311-1638

Sender's reference: 2045821WTQP

Credit Party Information: 35
FEDERAL HOME LOAN BANK
PITTSBURGH, PA

Beneficiary Party Information: 39
MAIN STREET BANK
2001 MAIN STREET
WHEELING WV
26003

Originator to Beneficiary Information:

FOR FURTHER CREDIT ACCT#. 281 CIT
Y OF WELLSBURG WATERWORKS & SEWERAS
ERIES 2011A BONDS(WVSRF PROG) CONTA
CT: ROBERT FURKA 304 232-2001

SWEEP RESOLUTION

WHEREAS, the City of Wellsburg (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor, Recorder and City Manager are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 8th day of February, 2011.

Sue Simonetti
MAYOR

Mary M Blum
CITY CLERK

U.S. ENVIRONMENTAL PROTECTION AGENCY

Assistance Amendment

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	
XP -	98399701	- 1	SEP 22 2008
TYPE OF ACTION: No Cost Amendment			MAILING DATE: SEP 22 2008
PAYMENT METHOD: Reimbursement			ACH#

RECIPIENT TYPE:
Municipal

Send Payment Request to:
West Virginia Department of Environmental Protection

RECIPIENT:
City of Wellsburg
70-7th St
Wellsburg, WV 26070
EIN: 55-0580172

PAYEE:
City of Wellsburg
70-7th St
Wellsburg, WV 26070

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Barb Zimnox 70-7th St Wellsburg, WV 26070 E-Mail: bzimnox@bhjmpc.org Phone: 304-797-9666	BruceA Smith 1650 Arch Street, 3WP21 Philadelphia, PA 19103-2029 E-Mail: Smith.BruceA@epamail.epa.gov Phone: 215-814-5770	Nancy Schruby Grants and Audit Management Branch, 3PM70 E-Mail: Schruby.Nancy@epamail.epa.gov Phone: 215-814-5414

PROJECT TITLE AND EXPLANATION OF CHANGES
Special Appropriations Project
This amendment is extending the budget and project periods to March 18, 2009 in order for the City of Wellsburg to replace the existing 11th Street Pump station with a new submersible pump station.

A Programmatic condition has also been updated.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
03/22/2004 - 03/18/2009	03/22/2004 - 03/18/2009	$883,091.00	$883,091.00

NOTICE OF AWARD

Based on your application dated 12/03/2003, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $. EPA agrees to cost-share 55.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $485,700. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
[signature]	Francis R. Snock, Chief, Grants and Audit Management Branch	SEP 22 2008

AFFIRMATION OF AWARD

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$ 485,700	$	$ 485,700
EPA In-Kind Amount	$ 0	$	$ 0
Unexpended Prior Year Balance	$ 0	$	$ 0
Other Federal Funds	$ 0	$	$ 0
Recipient Contribution	$ 0	$	$ 0
State Contribution	$ 0	$	$ 0
Local Contribution	$ 397,391	$	$ 397,391
Other Contribution	$ 0	$	$ 0
Allowable Project Cost	$ 883,091	$ 0	$ 883,091

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.606 - Surveys - Studies - Investigations and Special Purpose Grants	Consolidated Appropriations Resolution 2003 (PL 108-7)	40 CFR PART 31

Fiscal

Site Name	DCN	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation

Approved Budget	
Program Element Classification (Construction)	Approved Allowable Budget Period Cost
1. Administration Expense	$25,000
2. Preliminary Expense	$0
3. Land Structure, Right Of Way	$7,000
4. Architectural Engineering Basic Fees	$161,000
5. Other Architectural Engineering Fees	$0
6. Project Inspection Fees	$0
7. Land Development	$0
8. Relocation Expenses	$0
9. Relocation Payments to Individuals & Bus.	$0
10. Demolition and Removal	$0
11. Construction and Project Improvement	$597,500
12. Equipment	$0
13. Miscellaneous	$12,000
14. Total (Lines 1 thru 13)	$802,500
15. Estimate Income	$0
16. Net Project Amount (Line 14 minus 15)	$802,500
17. Less: Ineligible Exclusions	$0
18. Add: Contingencies	$80,591
19. Total (Share: Recip 45.00% Fed 55.00%)	$883,091
20. TOTAL APPROVED ASSISTANCE AMOUNT	$485,700

Programmatic Conditions

Former Condition Number 9 is being replaced with the following:

9. Project Schedule

EPA's policy requires that projects be initiated, constructed, and placed in operation in a timely manner. For that reason, the schedule shown below, which was developed in conjunction with your grant application, is included as a condition.

Complete Design	March 2007
Advertise For Bids	April 2007
Award Construction Contract	July 2007
Initiate Construction	October 2007
Complete Construction	February 2009
Submit Final Payment Request	March 2009

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

OMB Approval No. 0348-0041

BUDGET INFORMATION - Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	$ 25,000.00	$ .00	$ 25,000.00
2. Land, structures, rights-of-way, appraisals, etc.	$ 7,000.00	$ .00	$ 7,000.00
3. Relocation expenses and payments	$ .00	$ .00	$ 0.00
4. Architectural and engineering fees ✓	$ 161,000.00	$ .00	$ 161,000.00 ✓
5. Other architectural and engineering fees	$ .00	$ .00	$ 0.00
6. Project inspection fees	$ .00	$ .00	$ 0.00
7. Site work	$ .00	$ .00	$ 0.00
8. Demolition and removal	$ .00	$ .00	$ 0.00
9. Construction ✓	$ 597,500.00	$ .00	$ 597,500.00 ✓
10. Equipment	$ .00	$ .00	$ 0.00
11. Miscellaneous	$ 12,000.00	$ .00	$ 12,000.00
12. SUBTOTAL *(sum of lines 1-11)*	$ 802,500.00	$ 0.00	$ 802,500.00
13. Contingencies	$ 80,200.00	$ .00	$ 80,200.00
14. SUBTOTAL	$ 882,700.00	$ 0.00	$ 882,700.00
15. Project (program) Income	$ .00	$ .00	$ 0.00
16. TOTAL PROJECT COSTS *(subtract #15 from #14)*	$ 882,700.00	$ 0.00	$ 882,700.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.	Enter eligible costs from line 16c Multiply X 55.00 %		$ 485,485.00

Previous Edition Usable **Authorized for Local Reproduction** **Standard Form 424C (Rev. 7-97) Prescribed by OMB Circular A-102**

INTER-GOVERNMENTAL AGREEMENT

BETWEEN THE CITY OF WELLSBURG, WELLSBURG, WEST VIRGINIA

AND THE BROOKE COUNTY PUBLIC SERVICE DISTRICT

TO PROVIDE SANITARY SEWAGE TREATMENT TO

THE BROOKE COUNTY PUBLIC SERVICE DISTRICT

THIS AGREEMENT, made this 17th day of Sept, 2008, by between the City of Wellsburg and the City of Wellsburg's Combined Water and Sanitary Board, Wellsburg, West Virginia, a municipal statutory corporation, hereinafter referred to as the "Board" and the Brooke County Public Service District, a public corporation and political subdivision of the State of West Virginia, created under Chapter 16, Article 13A, of the Code of the State of West Virginia, hereinafter referred to as the "District."

WHEREAS, the Board presently owns and operates a wastewater treatment plant and interceptor sewer system; and

WHEREAS, the District intends to construct interceptor, collector sewer, and pumping stations for the collection of wastewater within portions of its service area; and

WHEREAS, the District desires to connect its collected sanitary flow to the Board's sewer system at a mutually agreed upon location and to have said sanitary flow treated by the Board in accordance with applicable water quality standards; and

WHEREAS, it is necessary for the District to secure a service agreement to be submitted to the Public Service Commission of West Virginia ("Commission") for approval pursuant to which the Board would transport and treat sanitary sewage from a portion of the District's service area, more specifically known as the Mahan Lane, Eldersville

Road Bruin Drive area; and

WHEREAS, the Board and District agree that the Board should recover from the District the rate charges as calculated and set forth herein; and

NOW THEREFORE, for and in consideration of the premise, which are hereby made an integral part of this Agreement and not to be construed as mere recitals, the covenants and agreements set forth herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Board and the District agree:

1. It is clearly understood that the Board will, by its statutory authority, represent the City of Wellsburg and hereafter carry forth all obligations pursuant to this Agreement between the City and the District. (The Board shall perform all acts as may be necessary from time to time for the proper and efficient operation of the sewage facilities for the benefit of the City, the District and other users.

ARTICLE I

COLLECTION AND TREATMENT

Section 1.01. The Board shall accept at the point of interconnection hereinafter set forth ("Point of Interconnection"), convey to and treat at its Plant up to, but no more than a total sum of Two Hundred Thousand (200,000) gallons per day of Sewage from Phase I and Phase II of the District's Mahan's Lane, Eldersville Road, Bruin Drive Project, delivered to the treatment plant through the Board's interceptor via the District's Point of Interconnection. The Board shall take all reasonable efforts to treat the Sewage so as to produce a Plant effluent within the effluent discharge limitations of the Board's NPDES permit and other applicable requirements.

Section 1.02. The District shall have no authority or control over the operation of the Plant or the quality of the effluent of the Plant, which shall at all times remain under the exclusive ownership and control of the Board.

Section 1.03. The Point of Interconnection shall be located as identified in Exhibit #2. In addition to the total volumetric limit on the sewage set forth in Section 1.01, the total influent delivery at the Interconnection shall not exceed 0.2 MGD for any given day.

ARTICLE II

CONSTRUCTION, INSPECTION AND USE OF DISTRICT FACILITIES

Section 2.01. The Board shall bear no financial or other responsibility for the construction of the District's collector sewer system ("District's Facilities") in the Service Area. The District shall at all times remain legally responsible for the maintenance and operation of the District's Facilities.

Section 2.02. The District shall provide the Board with at least sixty (60) days written notice of the date and time at which it proposes to connect the District's Facilities to the System at the Point of Interconnection. The Board shall, at its own expense, have the right, but not the obligation at such time and place to inspect the work performed to ensure satisfactory connection.

Section 2.03. The District shall adopt, maintain and collect rates and other charges which at all times provide sufficient revenue to pay the Board for (1) transporting sewage from the point of interconnection to the wastewater treatment plant, and (2) treating the wastewater at the wastewater treatment plant.

Section 2.04. The District shall prohibit septic haulers and all other persons and entities from introducing into the District's Facilities waste other than that generated on premises permanently connected to the District's Facilities, without first requiring testing of said waste and advising the Board in advance of any such intention to accept such waste.

Section 2.05. The District shall require all commercial and industrial customers, if any, to comply with any pretreatment or testing requirements mutually agreed upon by the Board and the District.

Section 2.06. The District shall provide for testing of its Sewage as required in its NPDES Permit. Additional testing will be made, if requested by the Board, if the Board believes that any problem or problems exist with the sewage or within the District's Facilities. If testing establishes that such problem or problems do not exist, then the tests shall be paid for by the Board. If testing establishes the existence of such problem or problems, then the tests shall be paid for by the District. The District will also make, at its expense, such tests as my be required by any governmental agency, State or Federal, having jurisdiction or regulatory authority over the District's Facilities or authority to require such testing. The District shall provide a copy of all test results to the Board and shall keep a copy of such test results in its permanent records.

Section 2.07. All measurements, tests and analyses of the characteristics of waste waters and wastes under this Agreement shall be determined in accordance with the current edition of "Standard Methods for the Examination of Waste and Wastewater," published by the American Public Health Association, American Water Works Association and Water Environment Federation, upon suitable samples taken at the nearest manhole to the Bruin Drive Pump Station.

Section 2.08. Notwithstanding Sections 4.01 and 6.01, in the event that the District shall introduce or permit influent into the System the quality or quantity of which jeopardizes the System or the Board's ability to continue to economically serve all of its customers, the Board shall notify the District orally, followed immediately by written notice of such introduction and its potential impact on the system and request an immediate response from the District as to what remedial action will be taken.

Section 2.09. The District shall install or cause to be installed a sewage meter at its pump station on Bruin Drive. The Board shall have free and uninterrupted access to the sewage meter and shall be provided any keys necessary to access said sewage meter.

ARTICLE III

RATES AND CHARGES

Section 3.01. The charges to the District shall be based upon monthly Volumetric flow and determined in accordance with Section 3.02, ("Volumetric Charge"). The Board shall bill the District for the Volumetric Charge on a monthly basis and the District shall remit payment to the Board for the Volumetric Charge within twenty (20) days after such statement is sent to the District at the address set forth below. The Volumetric Charge shall be subject to the late payment and other provisions of the Board's tariff except such provisions as are clearly inconsistent with this Agreement.

Section 3.02. The initial Volumetric Charge under this Agreement shall be $2.44 per thousand gallons. This Volumetric Charge shall remain in effect for an initial period of five (5) years from the date of execution of this Agreement. Thereafter, the Volumetric Charge shall be recalculated every four (4) years. The Volumetric Charge shall be based on the formula as set forth in Appendix B.

Section 3.03. The District shall install, at the District's expense, a master meter at its Bruin Drive Pump Station to be used for determining the Volumetric Charge set forth in Section 3.02. Said master meter to be of a design agreeable to both the District and the Board. Thereafter, ownership of the meter shall be vested in the Board, which shall be solely responsible for the operation, maintenance and replacement, if necessary of the master meter.

Section 3.04. Each party shall have the right at all reasonable times, during the District's normal business hours on normal working days (exclusive of weekends and holidays), to make such examination of the books and records of the other party as may be necessary and desirable for the purpose of determining sewage flow charges, cost of treatment, transportation and other factors to be used in determining the cost of treatment to the District.

ARTICLE IV

ADDITIONAL FINANCIAL CONSIDERATION; AID TO CONSTRUCTION; ESCROW FUNDS

Section 4.01. In addition to all other financial consideration contained in this Agreement, the District agrees to pay to the Board a one-time Aid to Construction Fee of Four Hundred Thousand Dollars ($400,000.00). Said sum is to be used by the Board/City as matching funds in a combined sewer separation project which is necessary in order for the Board to accept the District's sewage flow. Said sum shall be paid at the time of the District's loan closing on the funds for construction.

Section 4.02. The District also agrees to pay to the Board the sum of Fifty Thousand Dollars ($50,000.00), which said sum shall be held in escrow to be used only for the following purposes:

(a) Any necessary repairs to the point of interconnection, interceptor sewer, or main sewer transmission line to the Board's Wastewater Treatment Plant that may be made necessary during the term of this Agreement as a result of accepting the District's sanitary sewage flow.

(b) To meet any shortfall in revenue which may occur as a result of the delay in the District sending its sewage flow to the Board's Wastewater Treatment Plant

(c) In the event that expenditures of said sum are not required for either of the purposes set forth above during the initial five (5) year term of this Agreement, then said sum may be used for engineering services to determine what repairs, improvements, or modifications are needed to the Board's Wastewater Treatment Plant, collection system and lift station in order for the Board to continue accepting the sewage from the District or to accept additional sewage flow in excess of 200,000 gallons per day from the District.

(d) The Board agrees to notify the District at least fifteen (15) days prior to any funds being withdrawn from this Escrow Account and the purpose of any withdrawals.

ARTICLE V

DEFAULT AND SECURITY

Section 5.01. In the event that the District fails to make any payment due under this Agreement and remains in default for a period of ten (10) days after the due date, or in the event that the District fails to perform any other item, obligation, or condition of this Agreement and fails to correct such default (or to commence correction of such default if correction shall reasonably require more than twenty (20) days) within twenty (20) days of receipt of written notice from the Board specifying such default, then the Board shall have the following rights and remedies, the election of which shall be solely at the discretion of the Board:

(a) The right to require specific performance by the District, through institution of a civil action against the District in the Circuit Court of Brooke County, West Virginia.

(b) The right to correct such default itself and to reasonably charge the District for its costs.

(c) The right to seek damages from the District through institution of a civil action against the District in the Circuit Court of Brooke County, West Virginia; and

(d) The right to pursue any other remedy against the District which the Board may have under the laws of the State of West Virginia.

ARTICLE VI

TERM OF AGREEMENT; TERMINATION

Section 6.01. This Agreement shall remain in effect for as long a term as permitted by law and at least for a term of forty (40) years as required by the funding agencies and bond holders for the Mahan's Lane, Eldersville Road, Bruin Drive Project. This Agreement may be sooner terminated as provided in Section 6.02.

Section 6.02. The District may terminate this Agreement with the Board for the following reasons:

a. If it can be established that the District has more cost effective alternatives for treatment of its sanitary sewer waste than that being afforded to it by the Board;

b. If the District's customer base or daily flows increase to a level that will require additional capital improvements to the Board's collection, pumping or treatment systems; or

c. In the event that the District, as a result of future sanitary sewage projects, builds its own sewage treatment plant.

Section 6.03. To terminate this Agreement, the District must give two (2) years advance notice of said termination to the Board.

ARTICLE VII

NOTICE

Section 7.01. Notices given pursuant to this Agreement shall be deemed effective upon mailing by Certified United States Mail, return receipt requested, to the parties at:

The City of Wellsburg's Combined Water and Sewer Board

City Building
Wellsburg, WV 26070
304-737-2401 Fax: 304-737-

Brooke County Public Service District
711 Charles Street
P.O. Box 150
Wellsburg, WV 26070
304-737-4077 Fax: 304-737-4079

or such other address as may be provided in writing to the other party during the term of this Agreement.

ARTICLE VIII

CONDITIONS PRECEDENT

Section 8.01. This Agreement and the respective obligations of the parties are conditioned upon the following, each of which is a condition precedent to the validity and enforceability of this Agreement.

(a) The City approving this Agreement by Ordinance duly adopted.

(b) The District approving this Agreement by Resolution duly passed.

(c) The Agreement being approved by the West Virginia Public Service Commission.

(d) The Agreement being submitted to the West Virginia Attorney General's Office

ARTICLE IX

REPRESENTATIONS AND WARRANTEIS

Section 9.01. The Board represents and warrants that the execution, delivery and performance of this Agreement by the Board have been duly authorized and this Agreement constitutes a valid and binding obligation of the Board enforceable in accordance with its terms.

Section 9.02. The District represents and warrants that the execution, delivery and performance of this Agreement by the District has been duly authorized and this Agreement constitutes a valid and binding obligation of the District enforceable in accordance with its terms.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section10.01. Nothing in this Agreement shall be construed to provide the District with any ownership or other interest in the Board's sewage treatment plant or system, which at all times shall remain the exclusive property of the Board.

Section 10.02. Nothing in this Agreement shall be construed to provide the Board with any ownership or other interest in the sanitary sewer system of the District, which at all times shall remain the exclusive property of the District.

Section 10.03. This Agreement constitutes the entire agreement between the Board and the District with respect to the matters addressed and may be amended only in a subsequent writing executed by both parties.

Section 10.04. This Agreement is binding upon the successors and assigns of the parties.

Section 10.05. This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 10.06. The article and section headings in this Agreement are merely for the convenient reference of the parties and shall not affect the meaning or interpretation of this Agreement.

WITNESS the following signatures and seals this 17th day of Sept, 2008.

ATTEST:

City Clerk

THE COMBINED WATER AND SANITARY BOARD OF THE CITY OF WELLSBURG, WEST VIRGINIA, a West Virginia Municipal Corporation

BY: _____
Wayne Campbell, Mayor and Chairman

ATTEST:

Secretary – Brooke County
Public Service District

BROOKE COUNTY PUBLIC SERVICE DISTRICT, a West Virginia Public Corporation

BY: _____
Theodore L. Bonaventura, Chairman

STATE OF WEST VIRGINIA,

COUNTY OF BROOKE, TO-WIT:

The foregoing Agreement was acknowledged before me this 17th day of September, 2008, by Wayne Campbell, Mayor of the City of Wellsburg, a West Virginia Municipal Corporation, and Chairman of the City of Wellsburg's Combined Water and Sanitary Board, on behalf of the City and the Board.

OFFICIAL SEAL
Notary Public, State Of West Virginia
DENA L. VERNER
1618 Charles Street
Wellsburg, WV 26070
My Commission Expires May 18, 2016

_____
Notary Public

STATE OF WEST VIRGINIA

COUNTY OF BROOKE, TO-WIT:

The foregoing Agreement was acknowledged before me this 17th day of September, 2008, by Theodore L. Bonaventura, Chairman of the Brooke County Public Service District, a West Virginia Public Corporation, on behalf of said District.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JANET KLEIN
P. O. Box 518
Windsor Heights, West Virginia 26075
My Commission Expires March 25, 2010

_____
Notary Public

TABEL OF CONTENTS

Agreement	
Article I	Collection and Treatment
Article II	Construction, Inspection and Use of District Facilities
Article III	Rates and Charges
Article IV	Additional Financial Consideration; Aid to Construction; Escrow Funds
Article V	Default and Security
Article VI	Term
Article VII	Notice
Article VIII	Conditions Precedent
Article IX	Representations and Warranties
Article X	Miscellaneous Provisions
Notary Page	
Exhibit #1	Service Area Map
Exhibit #2	Point of Interconnection
Appendix A	City of Wellsburg's Rules and Regulations for Sewage Service
Appendix B	Formula for Calculating Sewage Treatment Rate

ORDINANCE OF THE CITY OF WELLSBURG, WEST VIRGINIA
AUTHORIZING THE ISSUANCE OF $740,000 OF
THE CITY'S SEWERAGE SYSTEM REVENUE REFUNDING BONDS,
SERIES 1993,
AND PROVIDING FOR THE FORM, DETAILS
AND PAYMENT THEREOF

WHEREAS, the City of Wellsburg, West Virginia (the "Issuer"), a duly constituted political subdivision of the State of West Virginia (the "State"), previously issued its $800,000 City of Wellsburg, West Virginia, Sewerage System Revenue Bonds, Series 1977 (the "1977 Bonds");

WHEREAS, the Issuer has determined that the refunding of the 1977 Bonds would benefit its citizens;

WHEREAS, Article 16, Chapter 13 of the Code of West Virginia of 1931, as amended (the "Act"), authorizes the Issuer to refund the 1977 Bonds;

WHEREAS, the Issuer desires to issue and sell its revenue refunding bonds in the principal amount of $740,000 to refund the outstanding 1977 Bonds (such refunding to be referred to herein as the "Project"); the Issuer agrees to make payments on such bonds solely from the revenues to be derived from the ownership and operation of the Project, which revenues shall be sufficient to pay, among other things, the principal of, premium, if any, and interest on such bonds; and the Issuer agrees that such bonds shall be issued pursuant to this Ordinance under which the Issuer will transfer and pledge certain personal property and real estate constituting the Project to the purchaser of such bonds as security for the same;

WHEREAS, there have been presented to this meeting a Form of Bond to be dated as of the date of closing relating to the transaction described above for the Issuer to study and consider, a copy of which has been filed with the Mayor;

WHEREAS, it has been determined by the Issuer that the most feasible method of refunding the 1977 Bonds is by the Issuer's issuance of its Sewerage System Revenue Refunding Bonds, Series 1993 (the "Bonds") in the principal amount of $740,000; and

WHEREAS, after careful study and investigation, including recommendations of counsel to the Issuer, the Issuer, in furtherance of the public purpose for which it exists, proposes to execute the documents described above and to issue its revenue refunding bonds, all as hereinafter set forth.

NOW, THEREFORE, BE IT ENACTED AND APPROVED BY THE CITY OF WELLSBURG, WEST VIRGINIA THAT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Ordinance") is adopted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The Issuer is a municipal corporation and political subdivision of the State located in Brooke County.

B. The Issuer presently owns and operates a public sewage treatment, collection and transportation system (the "System"). The Issuer finds and determines that the issuance of its revenue refunding bonds to refund the 1977 Bonds, all as hereinbefore described and as hereinafter provided, will serve the public purposes specified in the Act, in that it will promote, develop and advance the business prosperity and economic welfare and will improve the standard of living of the citizens of the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all sinking funds, reserve accounts and other payments provided for herein and all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewerage System Revenue Refunding Bond in the total aggregate principal amount of $740,000 to defease the 1977 Bonds and to pay costs of issuance.

E. The Bonds hereby authorized will be on a parity with the Issuer's $1,180,200 Sewer Revenue Bond, Series 1993 (the "1993 Revenue Bond") as to lien and source of payment.

F. The Issuer has complied with all requirements of State law relating to authorization and operation of the Project and issuance of the Bonds.

G. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and System, and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the

Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year in which the Bonds are to be issued.

Section 1.03 Issuance of Bonds. For the purpose of the Project, the issuance of the Bonds is hereby authorized. The Bonds shall be dated as of the closing and sold at par at closing for an amount equal to Seven Hundred Forty Thousand Dollars ($740,000) to United National Bank, as Purchaser (the "Bank"). Interest on the Bonds, at the rates specified therein, for a term of twenty (20) years, will be payable by check mailed to the persons listed on the Bond Register maintained by _____, as Registrar (the "Registrar"), as being the registered owners of such Bonds on the applicable Record Date. The Bonds shall bear interest, shall mature, shall have provisions for redemption and shall have such other provisions as set forth herein.

The Bonds will be issued as fully registered Bonds in the denomination of $5,000 or any integral multiples thereof.

The Ordinance shall provide for the creation and funding of a Refunding Fund and a Revenue Fund. The Revenue Fund shall consist of an Operation and Maintenance Account, a Principal and Interest Account, a Redemption Account, a Debt Service Reserve Account and a Bondholders Account.

The form of the Bonds shall be as presented to this meeting as herein before described; and the provisions for signatures, authentication, payment, registration and redemption shall be as set forth in the Ordinance hereinafter authorized.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by the Bank, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and the Bank, 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 Bank, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.05. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means Chapter 13, Article 2E of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

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

"Bondholders Account" means the Bondholders Account established in Section 4.01 hereof.

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

"Bonds" mean the $740,000 City of Wellsburg, West virginia Sewerage System Revenue Refunding Bonds, Series 1993, and any bonds on a parity therewith authorized to be issued hereunder.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Bank.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

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

"Costs" or "Costs of the Project" means those costs incurred from the issuance of the Bonds that are deemed by the Mayor to be the costs of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Debt Service Reserve Account" means the Debt Service Reserve Account established in Section 4.01 hereof.

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

"Depository Bank" means the bank designated as such in the Ordinance or in a supplemental ordinance or letter, and its successors and assigns.

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

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

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 7.01 hereof).

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

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

"Issuer" means the City of Wellsburg, Brooke County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the Issuer.

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

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

"Operation and Maintenance Account" means the Operation and Maintenance Account established in Section 4.01 hereof.

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

"Ordinance" means this Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof, authorizing the issuance of the Bonds.

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

"Parity Bonds" means additional bonds issued under the provisions and within the limitation prescribed by Section 6.07 hereof.

"Paying Agent" means the Commission, its successors and assigns.

"Principal and Interest Account" means the Principal and Interest Account established in Section 4.01 hereof.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" means the refunding of the 1977 Bonds.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; provided, that investments by such fund on behalf of the Issuer shall be restricted to Qualified Investments other than that described in this paragraph (h); and

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

"Redemption Account" means the Redemption Account established in Account 4.01 hereof.

"Refunding Fund" means the Refunding Fund established in Section 4.01 hereof.

"Registrar" means the bank or other entity designated herein or in any supplemental ordinance and its successors and assigns.

"Revenue Fund" means the Revenue Fund established in Section 4.01 hereof.

"State" means the State of West Virginia.

"Supplemental Ordinance" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance; provided, that any matter intended by this Ordinance to be included in a Supplemental Ordinance with respect to the Bonds, as the case may be, and not so included may be included in another Supplemental Ordinance.

"Surplus Revenues" means the Net 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 the Debt Service Reserve Account and the 1993 Revenue Bond debt service reserve requirements.

"System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. There is hereby authorized the Project, at an estimated cost of $740,000. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof. The Issuer has solicited and received bids for the Project.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of funding the Debt Service Reserve Account and for paying Costs of the Project, there shall be issued the Bonds of the Issuer, in an aggregate principal amount of $740,000. The Bonds shall be issued in series, to be designated, "Sewerage System Revenue Refunding Bonds, Series 1993" in the aggregate principal amount of $740,000, and shall have such terms as set forth hereinafter or in any supplemental ordinance. The proceeds of the Bonds remaining after funding of the Debt Service Reserve Account (if funded from Bond proceeds) shall, subject to Section 5.02 hereof, be deposited in or credited to the Revenue Fund established by Section 4.01 hereof.

Section 3.02. Terms of Bond. The Bonds shall be registered R-1 through R-20. The Bonds shall bear interest at such rate or rates, payable on such dates, shall mature on such dates, and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe herein or in a supplemental ordinance. The Bonds shall be payable as to principal at the office of the

Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar, or by such other method as shall be mutually agreeable.

Unless otherwise provided by a supplemental ordinance, the Bonds shall be fully registered to the Bondholder representing the aggregate principal amount, and shall mature in principal installments, all as provided herein or in the supplemental ordinance. The Bonds shall be exchangeable at the option and expense of the Bondholder for other fully registered Bonds of the same series Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of the Bonds; provided, that the Issuer shall not be obligated to pay any expenses of such exchange.

Subsequent series of bonds, if any, shall be issued in fully registered form and in denominations and at such interest rates and shall be payable as determined by a supplemental ordinance.

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

Section 3.04. Authentication and Registration. The Bonds shall not 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 the Bonds, substantially in the form set forth in Section 3.10 shall have been manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon the Bonds shall be conclusive evidence that the Bonds have been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on the Bonds shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary

that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

The Registrar is hereby designated Registrar for the Bonds. The Registrar may appoint a bank or other party as its agent in fulfilling its duties hereunder.

So long as any of the Bonds remain outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds.

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

In all cases in which the privilege of exchanging the Bonds or transferring the registered Bonds are exercised, the Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of the Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Registrar shall not be obliged to make any such exchange or transfer of the Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of the Bonds, next preceding the date of the selection of the Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar

shall, if so advised by the Issuer, authenticate and deliver, new Bonds of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds, upon surrender and cancellation of such mutilated Bonds, or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the Bondholder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be canceled by the Registrar and held for the account of the Issuer. If any such Bonds shall have matured or be about to mature, instead of issuing substitute Bonds, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Debt Service Reserve Account. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds shall be secured by a lien on the Net Revenues derived from the System on a parity with that of the 1993 Revenue Bond. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Series 1993 Bond Sinking Fund and the Debt Service Reserve Account, hereinafter established, and into the funds and accounts established in connection with the 1993 Revenue Bond, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Parity with 1993 Revenue Bond. The lien on the revenues of the System and the pledge of such revenues provided and stated in Section 3.08 above in favor of the Bonds are on a parity with the lien thereon and pledge thereof in favor of the 1993 Revenue Bond.

Section 3.10. Form of Bond. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any supplemental ordinance:

(FORM OF SERIES 1993 BOND)

UNITED STATES OF AMERICA

CITY OF WELLSBURG, WEST VIRGINIA

SEWERAGE SYSTEM
REVENUE REFUNDING BONDS

SERIES 1993

No. R-1 Principal Amount: $_____

Rate of Interest: ____%	Maturity Date: _____	Dated Date: November ___, 1993

Registered Owner: United National Bank

KNOW ALL MEN BY THESE PRESENTS THAT the City of Wellsburg, West Virginia, a body corporate and governmental instrumentality created and existing under the laws of the State of West Virginia (hereinafter called the "Issuer"), for value received, promises to pay, but solely from the hereinafter described Revenue Fund, to the Registered Owner identified above, or registered assigns, the principal amount hereof and to pay solely from said Revenue Fund interest (computed on the basis of the actual number of days over a calendar year of 360 days) on the amount(s) advanced and based upon the date of such advance(s), from the most recent Interest Payment Date to which interest has been paid, or if no interest has been paid, from November ____, 1993, at the Rate of Interest per annum identified above, payable quarterly on the 1st day of each January, April, July and October, commencing January 1, 1994 (such dates being hereinafter referred to as the "Interest Payment Dates" or "Payment Dates", as the case may be), until payment of the principal amount hereof, except as the provisions as hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. Principal and interest on this bond are payable by the West Virginia Municipal Bond Commission (the "Commission"), on the Interest Payment Dates or on the Payment Dates, as the case may be. Beginning November _____, 1993, quarterly payments of $_____ (representing principal and interest on total indebtedness of $_____), shall be payable over the remaining term from November ___, 1993 to _____, ____. Thereafter, principal and interest on this bond shall be payable on the Payment Dates. The principal of and interest on this bond are payable in lawful money of the United States of America without deduction for the services of the paying agent.

NEITHER THE STATE OF WEST VIRGINIA, THE ISSUER, NOR ANY OTHER POLITICAL SUBDIVISION OF SAID STATE SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES, MONEY AND PROPERTY PLEDGED THEREFORE PURSUANT TO THE TERMS OF THE ORDINANCE AND NEITHER THE TAXING POWER NOR THE FULL FAITH AND CREDIT OF THE STATE OF WEST VIRGINIA, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION OF SAID STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO, BUT THE BONDS ARE LIMITED SPECIAL OBLIGATIONS OF THE ISSUER. SAID BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER. NO OFFICER OF THE ISSUER SHALL BE SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF SAID BONDS, ALL OF SUCH LIABILITY BEING EXPRESSLY WAIVED AND RELEASED BY EVERY OWNER HEREOF BY THE ACCEPTANCE HEREOF.

This bond is issued with the intent that the laws of the State of West Virginia shall govern its construction.

Reference is hereby made to the further provisions of this Series 1993 Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts and conditions necessary to be done or performed by the Issuer or to have happened precedent to and in the issuance of the Series 1993 Bonds in order to make them legal, valid and binding special obligations of the Issuer in accordance with their terms, and precedent to and in the execution and delivery of the Indenture, have happened and have been performed in regular and due form as required by law; that payment in full for such Series 1993 Bonds has been received; and that such Bonds do not exceed or violate any constitutional or statutory limitation.

The Issuer has designated the Series 1993 bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"). In the opinion of Bond Counsel, the Series 1993 Bonds are "qualified tax-exempt obligations," and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to purchase or carry most tax-exempt obligations does not apply to the Series 1993 Bonds; accordingly, eighty percent (80%) of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 1993 Bonds is deductible for federal income tax purposes.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication appearing hereon shall have been duly and manually executed by the Trustee.

IN WITNESS WHEREOF, the City of Wellsburg, West Virginia has caused this bond to be executed in its name by the manual or facsimile signature of its Mayor and the City Clerk and its seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of the City Clerk, all as of the date set forth above.

CITY OF WELLSBURG, WEST VIRGINIA

(SEAL)

By: _____
Mayor

By: _____
City Clerk

FURTHER PROVISIONS

This bond is one of an authorized series of bonds in the aggregate principal amount of $740,000 (hereinafter called the "Series 1993 Bonds") issued for the purpose of refunding the outstanding $800,000 City of Wellsburg, Sewerage System Revenue Bonds, Series 1977 (the "1977 Bonds") being hereinafter called the "Project," as described in the Ordinance dated October 19, 1993 (hereinafter referred to as the "Ordinance"), authorized by the Issuer, and paying expenses incident thereto, so as to thereby serve the goals promoting and expanding business and industrial development and improving the standard of living of the citizens of Brooke County, West Virginia. The Series 1993 Bonds are issued under and pursuant to the Ordinance, an executed counterpart of which Ordinance is on file at the office of the Commission. The Ordinance contains provisions for the issuance of Additional Bonds, subject to the prior approval of the Registered Owner. Reference is hereby made to the Ordinance and all ordinances supplemental thereto for the provisions, among others, with respect to the custody and application of the proceeds of the Series 1993 Bonds, the collection and disposition of revenues, the revenues charged with and pledged to the payment of the principal of and interest on the Series 1993 Bonds, the nature and extent of the security, the terms and conditions under which the Series 1993 Bonds are issued, the terms and conditions under which Additional Bonds may be issued, the rights, duties and obligations of the Issuer and the rights of the holders of the Series 1993 Bonds, and, by the acceptance of this Series 1993 Bond, the holder hereof assents to all the provisions of the Ordinance.

This Series 1993 Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the United National Bank, as Bond Registrar (the "Registrar") but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender and cancellation of this bond. Upon such transfer a new bond or bonds of the same series, interest rate, maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Issuer and the Registrar may deem and treat the Registered Owner thereof as the absolute owner hereof (whether or not this Series 1993 Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar shall be affected by any notice to the contrary.

The Series 1993 Bonds are issuable only in the denomination of $5,000 each or any integral multiple thereof. The Series 1993

Bonds may, at the option of the Registered Owner thereof, upon the surrender thereof at the principal office of the Registrar with a written instrument of transfer, in form and with guarantee of signature satisfactory to the Registrar, duly executed by the Registered Owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of fully registered bonds of the same series, maturity and interest rate of any other authorized denomination.

The Series 1993 Bonds are subject to optional redemption at any time, without penalty or premium.

In the event any of the Series 1993 Bonds or portions thereof (which shall be $5,000 or any integral multiple thereof) are called for redemption as aforesaid, notice thereof identifying the bonds or porions thereof to be redeemed shall be sent not less than thirty (30) days prior to the redemption date by registered or certified mail to the Registered Owner of each bond to be redeemed at the address shown on the registration books as provided in the Ordinance. All Series 1993 Bonds so called for redemption will cease to bear interest on the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time and shall no longer be secured by the Project's revenues and/or be deemed to be outstanding under the provisions of the Ordinance.

This Series 1993 Bond and the series of which it forms a part, as may be outstanding from time to time, is issued pursuant to and in full conformity with the Constitution and laws of the State of West Virginia, particularly Chapter 16, Article 13, Code of West Virginia of 1931, as amended, and pursuant to the Ordinance.

The Series 1993 Bonds are limited special obligations of the Issuer and are payable solely out of the Project's revenues. Under the Ordinance, the Issuer must pay the Commission such payments as will be fully sufficient to pay the principal of and interest on the Series 1993 Bonds, as the same mature.

Pursuant to the Ordinance, payments sufficient for the prompt payment, when due, of the principal of and interest on the Series 1993 Bonds are to be paid by the Issuer to the Commission and deposited in the Principal and Interest Account of the Revenue Fund. Money in the Revenue Fund and the various accounts established under the Ordinance have been duly pledged and have been assigned to the Registered Owner pursuant to the Ordinance to secure payment of the principal of and interest on the Series 1993 Bonds.

The Registered Owner of the Series 1993 Bond shall have no right to enforce the provisions of the Ordinance or to institute any action to enforce the covenants therein, or to take any action

with respect to any event of default under the Ordinance, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Ordinance. In certain events, on the conditions, in the manner and with the effect set forth in the Ordinance, the principal of all the bonds issued under the Ordinance and then outstanding, may become or may be declared due and payable before the stated maturity thereof together with interest accrued thereon. Modifications or alterations of the Ordinance, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Ordinance.

CERTIFICATE OF AUTHENTICATION:

This Bond is one of the Series 1993 Bonds described in the Ordinance and has been duly registered in the name set forth above.

Dated: November ___, 1993

UNITED NATIONAL BANK, as Bond Registrar

By: _____
Vice President

(Form of Bond Power)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____

(Please print or typewrite name, address and Social Security Number of Transferee) _____

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, as Attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

_____

NOTICE: The 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 enlargement or any change whatever.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and/or continued with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Refunding Fund; and

(2) Revenue Fund, including the following accounts:

(a) Operating and Maintenance Account;

(b) Principal and Interest Account;

(c) Redemption Account;

(d) Debt Service Reserve Account; and

(e) Bondholders Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special fund is hereby created with the Commission:

Series 1993 Bond Sinking Fund

Section 4.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first each month transfer from the Revenue Account to the Operation and Maintenance Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) So long as any of the Bonds remain outstanding and unpaid or until provision for payment of the Bonds and the interest thereon and any applicable redemption premiums has been made in full by deposit of the necessary funds with the Commission or Depository Bank, as the case may be, the Issuer shall remit to (i) the Commission or (ii) the holder thereof for any bond owned by the United States of America or any agency or

department thereof directly to the United States of America or said agency or department, the sums required to provide for payment of principal of and interest on the Bonds in the manner provided in the Ordinance.

(3) The Issuer shall, simultaneously with the disbursement made under (2) above, in order to provide debt service on the Bonds, shall deposit in the Series 1993 Bond Sinking Fund one-third (1/3) of the interest payment next coming due on the Bonds and one-third (1/3) of the principal payment next coming due on the Bonds beginning three (3) months prior to the first date of payment of principal of the Bonds. The Issuer shall submit payments monthly to the Commission with instructions that the Commission will make payments to the Bondholder at such address as is given to the Commission in writing by the Bondholder. The Issuer shall instruct the Commission to notify the Bondholder of any monthly payments which are not received by the 20th day of the month in which the payment was due.

(4) The Issuer shall next, on a pro rata basis, on the first day of each month, with respect to the Bonds, and on the first day of each month, commencing three (3) months prior to the first date of payment of principal of the 1993 Revenue Bond, if not fully funded upon issuance of the 1993 Revenue Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Debt Service Reserve Account established under the 1993 Revenue Bond Ordinance the amounts required for deposit thereunder, and into the Debt Service Reserve Account, an amount equal to 1/120 of the Debt Service Reserve Requirement; provided, that no further payments shall be made into the Debt Service Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Debt Service Reserve Requirement.

Moneys in the Series 1993 Bond Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, as the same shall become due. Moneys in the Debt Service Reserve Account shall be used only for the purpose of paying principal of and interest on the Bonds, as the same shall come due, when other moneys in the attendant Series 1993 Bond Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1993 Bond Sinking Fund and Debt Service Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and shall be deposited in the Revenue Fund and applied in full, first

to the next ensuing interest payments, if any, due on the Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Debt Service Reserve Account which result in a reduction in the balance of the Debt Service Reserve Account to below the Debt Service Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full, to the Series 1993 Bond Sinking Fund for payment of debt service on the Bonds.

As and when additional bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective Sinking Fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum provided and required to be paid into the concomitant Sinking Fund in any year for account of the bonds of such series, including such additional bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1993 Bond Sinking Fund or into the Debt Service Reserve Account therein when the aggregate amount of funds in said Series 1993 Bond Sinking Fund and Debt Service Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Ordinance then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1993 Bond Sinking Fund created hereunder, and all amounts required for said Series 1993 Bond Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1993 Bond Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

Moneys in the Debt Service Reserve Account shall be invested and reinvested by the Commission in accordance with Section 7.01 hereof.

The Series 1993 Bond Sinking Fund and the Debt Service Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any additional bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Fund and the reserve account established with respect to the 1993 Revenue Bond and the Series 1993 Bond Sinking Fund and Debt Service Reserve Account during the following month or such other period as required by law, such excess shall be deposited in the Redemption Account established hereunder and used to redeem the Bonds or for any lawful purposes of the Issuer.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Commission's fees, the Registrar's fees, the Paying Agent's fees and the Depository Bank's charges then due.

D. WesBanco, Wellsburg Branch is hereby designated the Depository Bank. The Issuer appoints United National Bank, as Registrar for the Bonds, and the Commission is hereby designated as Paying Agent for the Bonds.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

ARTICLE V

BOND PROCEEDS; DISBURSEMENTS

Section 5.01. Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Bonds, there shall be deposited with the Commission in the Debt Service Reserve Account such sum, if any, set forth herein or in a supplemental ordinance for funding of the Debt Service Reserve Account.

B. Next, from the proceeds of the Bonds, and subject to Section 5.02 below, there shall first be credited to the Refunding Fund and then paid to refund the outstanding 1977 Bonds.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Revenue Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 5.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Revenue Fund and shall comply with all requirements with respect to the disposition of the Revenue Fund set forth in this Ordinance. Moneys in the Revenue Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Bonds.

Section 5.01. Deposits to Revenue Fund. The Net Revenues from the operation of the System shall be deposited into the Revenue Fund for the purposes described in Section 4.03.

Section 5.02. Disbursements From the Revenue Fund. Payments for Costs of the Project shall be made at closing.

Except as provided in Section 5.01 hereof, disbursements from the Revenue Fund (except for the costs of issuance of the Bonds which shall be made upon request of the Issuer), shall be made by the Depository Bank at the direction of the Issuer.

Until disbursed by the Issuer, moneys in the Revenue Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall apply any excess moneys in full, first to the next ensuing interest payments, if any, due on the Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. 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 Bondholders. In addition to the other covenants, agreements and provisions of this Bondholders, the Issuer hereby covenants and agrees with the Bondholders 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 said Bonds or the interest thereon is Outstanding and unpaid.

Section 6.02. Bonds Not to be Indebtedness of the Issuer. The Bonds shall 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 funds pledged for such payment by this Ordinance. No Bondholders shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds issued hereunder shall be secured forthwith by a lien on the Net Revenues derived from the operation of the System on a parity with that in favor of holder of the 1993 Revenue Bond.

The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and the 1993 Revenue Bond and to make the payments into the Series 1993 Bond Sinking Fund, including the Debt Service Reserve Account therein, and all other payments provided for in the Ordinance are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the 1993 Revenue Bond as the same become due, and for the other purposes provided in the Ordinance.

Section 6.04. Initial Schedule of Rates and Charges. The schedule of rates and charges for the services and facilities of the System shall be as set forth in the existing rate ordinance of the Issuer.

Section 6.05. Sale of the System. Except as otherwise required by state law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Outstanding Bonds or to effectively defease the 1993 Revenue Bond and this Ordinance in accordance with

Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Outstanding Bonds, immediately be remitted to the Commission for deposit in the Bond Sinking Fund for the Bonds and for the 1993 Revenue Bond, and with the written permission of the Bondholders, of both issues, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Outstanding Bonds. Any balance remaining after the payment of all the Outstanding Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by ordinance, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Bondholders Account. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with a consulting engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by ordinance duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Series 1993 Bond Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus three percent (3%) of such par value or otherwise. Such payment of such proceeds into the Series 1993 Bond Sinking 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 if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then outstanding without the prior approval and consent in writing of

the Bondholders, or their duly authorized representatives, of over fifty percent (50%) in amount of the Bonds then outstanding and a consulting engineer. The Issuer shall prepare the form of such approval and consent for execution by the Bondholder for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 6.06 and in Section 6.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Debt Service Reserve Account at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 6.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bonds issued pursuant to this Ordinance except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Bonds, and, so long as any of the Bond is outstanding, on a parity therewith.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based

upon the necessary investigation and certification by a consulting engineer, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any twelve (12) consecutive months, within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of a consulting engineer, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of a consulting engineer and said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by a consulting engineer and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

All covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Ordinance.

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

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

Section 6.08. 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 the Bondholder shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Bondholders, and shall mail in each year to any Bondholder requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance with respect to the Bonds and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to the Bondholder. Such audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Ordinance and that Gross Revenues are adequate to meet operation/maintenance expenses and debt service requirements.

Section 6.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder and under the 1993 Ordinance. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System; (ii) to leave a balance each year equal

to at least one hundred fifteen percent (115%) of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; and (iii) otherwise comply with the rate covenant set forth in the 1993 Ordinance so long as the 1993 Revenue Bond remains outstanding; provided that, in the event that amounts equal to or in excess of the Debt Service Reserve Requirement are on deposit respectively in the Debt Service Reserve Account and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least one hundred ten percent (110%) of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 6.04.

Section 6.10. Operating Budget and Audit. The Issuer shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt by ordinance a detailed, balanced budget of the estimated reserves and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a consulting engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by an ordinance duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon the further certificate of a consulting engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall, within thirty (30) days of the adoption thereof, mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Bondholders, which shall file its address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished it shall make available such budgets and all ordinances authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Bondholder, or anyone acting for and on behalf of such Bondholder.

Section 6.11. Engineering Services and Operating Personnel. The Issuer shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project.

Section 6.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by State law and the rules and regulations of the Public Service Commission 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 thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid, to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 6.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.15. Insurance. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, ON ALL above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Operation and Maintenance Account and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said account.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of one hundred percent (100%) of the cost of any improvements or additions to be made to the System, and such payment bonds will be filed with the City Clerk prior to commencement of construction of any project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

B. The Issuer shall require any contractors engaged in any construction on the Project to furnish a performance bond and a payment bond, each in an amount equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

C. The Issuer shall also require any contractors engaged in any construction on the Project to carry such Workers' Compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

Section 6.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a thirty (30) day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction, provided that Issuer gives no assurance of compliance with these requirements for parties outside the limits of the Issuer.

Section 6.17. Permits and Orders. The Issuer will operate and maintain the System in good condition and in compliance with all federal and State requirements and standards.

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

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

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

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

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

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it so that the interest on the Bonds will be and remain excludable from gross income for federal income tax

purposes, and will not take any actions, or fail to take any actions which would adversely affect such exclusion.

ARTICLE VII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 7.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and re-invested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are outstanding.

Section 7.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so

that the Bonds will not constitute "Arbitrage Bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal Information Return with respect to the Bonds) so that the interest on the 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 7.03. Tax Certificate and Rebate. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that ninety-five percent (95%) or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code. For purposes of this Section 7.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 7.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity, and an entity formed (or, to the extent provided by the Mayor, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions:

(i) the Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Bonds. In addition, the Issuer covenants to comply with all regulations from time to time in effect and applicable to the 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 Section 148(f) of the Code, regardless of whether such actions may be contrary to any of the provisions of this Ordinance; and

(ii) the Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in a separate account such sums as are necessary to cause the aggregate amount on deposit in such account to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, such account 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 such account 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 such account, the rebatable arbitrage in accordance with Section 148(f) of the Code. In the event that there are any amounts remaining in such account following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such regulations. In the event that, for any reason, amounts in such account are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code. 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 Bonds from gross income for federal income tax purposes.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Ordinance or any supplemental ordinance or in the Bonds, and such default shall have continued for a period of thirty (30) days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or the Bondholder; or

(3) If an Event of Default occurs under the 1993 Revenue Bond Ordinance; or

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

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, the Bondholder may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce its rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of the Bondholder including the right to require the Issuer to perform its duties under the Act and the Ordinance relating thereto including the 1993 Revenue Bond Ordinance, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholder, and (v) by action or bill in equity enjoin any acts in violation of the Ordinance with respect to the Bonds, or the rights of the Bondholder.

Section 8.03. Appointment of Receiver. The Bondholder may, by proper legal action, compel the performance of the duties of the Issuer under the Ordinance, and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Bonds, the Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by its agents and attorneys, enter into and upon and take possession of

all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this 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, the Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Bondholder. 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 Bondholder and the curing and making good of any Event of Default with respect thereto 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, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholder, 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 with respect to the Bonds only the pledge of Net Revenues and other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the Issuer to the Bondholder 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 either at maturity or at the next redemption date, the principal installments of and interest on such Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said the Bonds provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on the Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Ordinance. No material modification or amendment of this Ordinance, or of any ordinance amendatory or supplemental hereto, that would materially and adversely affect the respective rights of the Bondholder shall

be made without the consent in writing of the holder of 66 2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Ordinance may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Bonds from gross income of the holders thereof.

Section 10.02. Ordinance Constitutes Contract. The provisions of the Ordinance shall constitute a contract between the Issuer and the Bondholder, and no change, variation or alteration of any kind of the provisions of the Ordinance shall be made in any manner, except as in this Ordinance provided.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, any Supplemental Ordinance or the Bonds.

Section 10.04. Headings, Etc. The headings and captions of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 10.06. Covenant of Due Procedure; Governing Law. 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 enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

The laws of the State shall govern the construction of this Ordinance and the Bonds issued hereunder.

Section 10.07. Bank Qualified Bonds. The Issuer and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1993, and the Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Revenue Code").

Section 10.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for two (2) consecutive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Wellsburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the City Council upon a certain date, which shall not be less than ten (10) days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last date of publication of such abstract and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested 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 10.09. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading - October 12, 1993

Passed on Second Reading - October 19, 1993

Enacted on Final Reading
Following Public Hearing - November 2, 1993

WITNESS the signature and seal of the City of Wellsburg, West Virginia, a municipal corporation, by authority of an Ordinance approved at a meeting duly called and held at the Wellsburg City Hall, Wellsburg, West Virginia, on the 2nd day of November, 1993.

CITY OF WELLSBURG, WEST VIRGINIA

By Ernest Jack
Mayor

[CITY SEAL]

ATTEST:

Karen Sue Sisinnetti
Acting City Clerk

CERTIFICATE

The undersigned hereby certifies that she is the City Clerk of the City of Wellsburg, West Virginia (the "City"), and that attached hereto is a true, correct and complete copy of an Ordinance approved on first and second reading, and after a public hearing, by a majority of the members of the City Council of the City present and voting at meetings duly called and held on October 12, October 19, and November 2, 1993, respectively, in accordance with law, at which quorums were present and acting throughout, and that such Ordinance has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my hand and the seal of the City on the 2nd day of November, 1993.

(SEAL)

Karen Sue Simonetti
Acting City Clerk

CITY OF WELLSBURG

CITY HALL
WELLSBURG, WV 26070
(304) 737-2104

CERTIFICATE

The undersigned City Clerk of the City of Wellsburg, West Virginia, a municipal corporation, DOES HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the Supplemental Resolution approved by the City Council of the City of Wellsburg on November 17, 1993, and that I have compared said Supplemental Resolution with the original thereof and that it is a correct copy of the whole of said Supplemental Resolution, and that said Supplemental Rsolution, has not been further altered, amended or repealed and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said City of Wellsburg this 19th day of November, 1993.

Kathleen Traubert

City Clerk

SUPPLEMENTAL RESOLUTION

WHEREAS on October 19, 1993, The City of Wellsburg, West Virginia (the "Issuer"), adopted an Ordinance entitled "ORDINANCE OF THE CITY OF WELLSBURG, WEST VIRGINIA AUTHORIZING THE ISSUANCE OF $740,000 OF THE CITY'S SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993 (the "1993 Refunding Bonds"), AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF (the "Ordinance");

WHEREAS the Issuer previously issued its $800,000 City of Wellsburg, West Virginia, Sewerage System Revenue Bonds, Series 1977 (the "1977 Sewer Bonds") by Ordinance adopted March 13, 1978 (the "1978 Ordinance"), which bonds are presently outstanding in the amount of $710,000;

WHEREAS, on August 11, 1981, the City of Wellsburg combined its water distribution system and sewage system into a single facility known as the "Combined Waterworks and Sewage System of Wellsburg" pursuant to §8-20-18 of the Code of West Virginia of 1931, as amended (the "Code");

WHEREAS the Ordinance provided for the issuance of bonds under the statutory authority of Chapter 16, Article 13 of the Code; and

WHEREAS it has become necessary to issue this Resolution to modify, correct and supplement certain provisions contained in the Ordinance.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the City Council of the City of Wellsburg as follows:

Section 1. Simultaneously with the issuance of the 1993 Refunding Bonds, $732,023.44 shall be deposited by the Issuer with the West Virginia Municipal Bond Commission so the outstanding 1977 Sewer Bonds can be defeased on or about November 19, 1993, and paid in full at their next interest payment date. Sufficient amounts are presently on deposit with the Municipal Bond Commission, together with the money to be deposited by the Issuer, to pay the 1977 Sewer Bonds in full as provided above. Upon such deposit, the 1977 Sewer Bonds will be defeased and the lien of the 1978 Ordinance will cease.

Section 2. The statutory authority under which the $740,000 City of Wellsburg, West Virginia, Combined Waterworks and Sewage System Revenue Refunding Bonds are to be issued shall be Chapter 8, Article 20 of the Code.

Section 3. The definition of "System" shall be amended to read as follows: "System" means all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties, or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after completion of the Project.

Section 4. The Issuer is granting a parity first lien on the net revenues of the combined waterworks and sewerage system.

WITNESS the signatures and seal of the City of Wellsburg, West Virginia, a municipal corporation, approved at a Special Meeting of

the Wellsburg City Council held in Wellsburg, West Virginia, on the 17th day of November, 1993.

CITY OF WELLSBURG, WEST VIRGINIA

(SEAL)

By: Ernest Jock
Mayor

ATTEST:

By: Kathleen Traubert
City Clerk

Black-lined

CONFORMED ORDINANCE OF THE CITY OF WELLSBURG, WEST VIRGINIA AUTHORIZING THE ISSUANCE OF $740,000 OF THE CITY'S COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 1993, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the City of Wellsburg, West Virginia (the "Issuer"), a duly constituted political subdivision of the State of West Virginia (the "State"), previously issued its $800,000 City of Wellsburg, West Virginia, Combined Waterworks and Sewage System Revenue Bonds, Series 1977 (the "1977 Bonds");

WHEREAS, the Issuer has determined that the refunding of the 1977 Bonds would benefit its citizens;

WHEREAS, Chapter 8, Article 20 of the Code of West Virginia of 1931, as amended (the "Act"), authorizes the Issuer to refund the 1977 Bonds;

WHEREAS, the Issuer desires to issue and sell its revenue refunding bonds in the principal amount of $740,000 to refund the outstanding 1977 Bonds (such refunding to be referred to herein as the "Project"); the Issuer agrees to make payments on such bonds solely from the revenues to be derived from the ownership and operation of the Project, which revenues shall be sufficient to pay, among other things, the principal of, premium, if any, and interest on such bonds; and the Issuer agrees that such bonds shall be issued pursuant to this Ordinance under which the Issuer will transfer and pledge certain personal property and real estate constituting the Project to the purchaser of such bonds as security for the same;

WHEREAS, there have been presented to this meeting a Form of Bond to be dated as of the date of closing relating to the transaction described above for the Issuer to study and consider, a copy of which has been filed with the Mayor;

WHEREAS, it has been determined by the Issuer that the most feasible method of refunding the 1977 Bonds is by the Issuer's issuance of its Combined Waterworks and Sewage System Revenue Refunding Bond, Series 1993 (the "Bonds") in the principal amount of $740,000; and

WHEREAS, after careful study and investigation, including recommendations of counsel to the Issuer, the Issuer, in furtherance of the public purpose for which it exists, proposes to execute the documents described above and to issue its revenue refunding bonds, all as hereinafter set forth.

NOW, THEREFORE, BE IT ENACTED AND APPROVED BY THE CITY OF WELLSBURG, WEST VIRGINIA THAT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Ordinance") is adopted pursuant to the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The Issuer is a municipal corporation and political subdivision of the State located in Brooke County.

B. The Issuer presently owns and operates a combined waterworks and sewerage system (the "System"). The Issuer finds and determines that the issuance of its revenue refunding bonds to refund the 1977 Bonds, all as hereinbefore described and as hereinafter provided, will serve the public purposes specified in the Act, in that it will promote, develop and advance the business prosperity and economic welfare and will improve the standard of living of the citizens of the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all sinking funds, reserve accounts and other payments provided for herein and all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewage System Revenue Refunding Bonds in the total aggregate principal amount of $740,000 to defease the 1977 Bonds and to pay costs of issuance.

E. The Bonds hereby authorized will be on a parity with the Issuer's $1,185,374 Combined Waterworks and Sewage System Revenue Bond, Series 1993 (the "Revenue Bond") as to lien and source of payment from the Net Revenues of the System.

F. The Issuer has complied with all requirements of State law relating to authorization and operation of the Project and issuance of the Bonds.

G. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the

Project and System, and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year in which the Bonds are to be issued.

Section 1.03 Issuance of Bonds. For the purpose of the Project, the issuance of the Bonds is hereby authorized. The Bonds shall be dated as of the closing and sold at par at closing for an amount equal to Seven Hundred Forty Thousand Dollars ($740,000) to United National Bank, as Purchaser (the "Bank"). Interest on the Bonds, at the rates specified therein, for a term of twenty (20) years, will be payable by check mailed to the persons listed on the Bond Register maintained by United National Bank, as Registrar (the "Registrar"), as being the registered owners of such Bonds on the applicable Record Date. The Bonds shall bear interest, shall mature, shall have provisions for redemption and shall have such other provisions as set forth herein.

The Bonds will be issued as fully registered Bonds in the denomination of $5,000 or any integral multiples thereof.

The Ordinance shall provide for the creation and funding of a Refunding Fund and a Revenue Fund. The Revenue Fund shall consist of an Operation and Maintenance Account, a Principal and Interest Account, a Redemption Account and a Bondholders Account.

The form of the Bonds shall be as presented to this meeting as herein before described; and the provisions for signatures, authentication, payment, registration and redemption shall be as set forth in the Ordinance hereinafter authorized.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by the Bank, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and the Bank, 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 Bank, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.05. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

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

"Bondholders Account" means the Bondholders Account established in Section 4.01 hereof.

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

"Bonds" or "Refunding Bonds" mean the $740,000 City of Wellsburg, West Virginia, Combined Waterworks and Sewage System Revenue Refunding Bonds, Series 1993, and any bonds on a parity therewith authorized to be issued hereunder.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Bank.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

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

"Costs" or "Costs of the Project" means those costs incurred from the issuance of the Bonds that are deemed by the Mayor to be the costs of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means the bank designated as such in the Ordinance or in a supplemental ordinance or letter, and its successors and assigns.

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

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

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 7.01 hereof).

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

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

"Issuer" means the City of Wellsburg, Brooke County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the Issuer.

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

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

"Operation and Maintenance Account" means the Operation and Maintenance Account established in Section 4.01 hereof.

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

"Ordinance" means this Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof, authorizing the issuance of the Bonds.

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

"Parity Bonds" means additional bonds issued under the provisions and within the limitation prescribed by Section 6.07 hereof.

"Paying Agent" means the Commission, its successors and assigns.

"Principal and Interest Account" means the Principal and Interest Account established in Section 4.01 hereof.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall

be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" means the refunding of the 1977 Bonds.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as Primary

dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; provided, that investments by such fund on behalf of the Issuer shall be restricted to Qualified Investments other than that described in this paragraph (h); and

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

"Redemption Account" means the Redemption Account established in Account 4.01 hereof.

"Refunding Fund" means the Refunding Fund established in Section 4.01 hereof.

"Registrar" means the bank or other entity designated herein or in any supplemental ordinance and its successors and assigns.

"Revenue Bond" means the $1,185,374 City of Wellsburg, West Virginia Combined Waterworks and Sewage System Revenue Bond, Series 1993, which is issued on a parity herewith on or about the same time as the issuance of the Bonds.

"Revenue Bond Ordinance" means the ordinance approved by the Issuer on September 14, 1993, authorizing the issuance of the Revenue Bond, as supplemented.

"Revenue Fund" means the Revenue Fund established in Section 4.01 hereof.

"State" means the State of West Virginia.

"Supplemental Ordinance" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance; provided, that any matter intended by this Ordinance to be included in a Supplemental Ordinance with respect to the Bonds, as the case

may be, and not so included may be included in another Supplemental Ordinance.

"Surplus Revenues" means the Net 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 the Revenue Bond debt service reserve requirements.

"System" means all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewage system; and shall also include any and all additions, extensions, improvements, properties, or other facilities at any time acquired or constructed for the combined waterworks and sewage system after completion of the Project.

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

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. There is hereby authorized the Project, at an estimated cost of $740,000. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof. The Issuer has solicited and received bids for the Project.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of the Project and for paying Costs of the Project, there shall be issued the Bonds of the Issuer, in an aggregate principal amount of $740,000. The Bonds shall be issued in series, to be designated, "Combined Waterworks and Sewage System Revenue Refunding Bonds, Series 1993" in the aggregate principal amount of $740,000, and shall have such terms as set forth hereinafter or in any supplemental ordinance. The proceeds of the Bonds remaining after funding of the Project shall, subject to Section 5.02 hereof, be deposited in or credited to the Revenue Fund established by Section 4.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall be registered R-1 through R-20. The Bonds shall bear interest at such rate or rates, payable on such dates, shall mature on such dates, and in

such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe herein or in a supplemental ordinance. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar, or by such other method as shall be mutually agreeable.

Unless otherwise provided by a supplemental ordinance, the Bonds shall be fully registered to the Bondholder representing the aggregate principal amount, and shall mature in principal installments, all as provided herein or in the supplemental ordinance. The Bonds shall be exchangeable at the option and expense of the Bondholder for other fully registered Bonds of the same series Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of the Bonds; provided, that the Issuer shall not be obligated to pay any expenses of such exchange.

Subsequent series of bonds, if any, shall be issued in fully registered form and in denominations and at such interest rates and shall be payable as determined by a supplemental ordinance.

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

Section 3.04. Authentication and Registration. The Bonds shall not 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 the Bonds, substantially in the form set forth in Section 3.10 shall have been manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon the Bonds shall be conclusive evidence that the Bonds have been authenticated, registered and delivered under this Ordinance. The Certificate of

Authentication and Registration on the Bonds shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

The Registrar is hereby designated Registrar for the Bonds. The Registrar may appoint a bank or other party as its agent in fulfilling its duties hereunder.

So long as any of the Bonds remain outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds.

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

In all cases in which the privilege of exchanging the Bonds or transferring the registered Bonds are exercised, the Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of the Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Registrar shall not be obliged to make any such exchange or transfer of the Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of the Bonds, next preceding the date of the selection of the Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds shall be secured by a lien on the Net Revenues derived from the System on a parity with that of the Revenue Bond. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Series 1993 Bond Sinking Fund, hereinafter established, and into the funds and accounts established in connection with the Revenue Bond, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Parity with Revenue Bond. The lien on the revenues of the System and the pledge of such revenues provided and stated in Section 3.08 above in favor of the Bonds are on a parity with the lien thereon and pledge thereof in favor of the Revenue Bond.

Section 3.10. Form of Bond. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any supplemental ordinance:

New

UNITED STATES OF AMERICA

CITY OF WELLSBURG, WEST VIRGINIA

COMBINED WATERWORKS AND SEWAGE SYSTEM
REVENUE REFUNDING BONDS

SERIES 1993

SPECIMEN

No. R-1 Principal Amount: $740,000.00

Rate of Interest:	Maturity Date:	Dated Date:
See schedule attached	November 1, 2013	November 19, 1993

Registered Owner: United National Bank

KNOW ALL MEN BY THESE PRESENTS THAT the City of Wellsburg, West Virginia, a body corporate and governmental instrumentality created and existing under the laws of the State of West Virginia (hereinafter called the "Issuer"), for value received, promises to pay, but solely from the hereinafter described Revenue Fund, to the Registered Owner identified above, or registered assigns, the principal amount hereof and to pay solely from said Revenue Fund interest (computed on the basis of the actual number of days over a calendar year of 360 days) on the amount advanced, from the most recent Payment Date to which interest has been paid, or if no interest has been paid, from November 19, 1993, at the Rate of Interest per annum and in the amounts shown on the Debt Service Schedule attached hereto, made a part hereof and labelled as Schedule X, payable quarterly on the 19th day of each February, May, August and November, commencing February 19, 1994 (such dates being hereinafter referred to as the "Payment Dates"), until payment of the principal amount hereof, except as the provisions as hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. Principal and interest on this bond are payable by the West Virginia Municipal Bond Commission (the "Commission"), on the Payment Dates. Beginning February 19, 1994, quarterly payments (representing principal and interest on total indebtedness of $740,000.00) shall be payable over the remaining term from November 19, 1993, to November 19, 2013, on the Payment Dates. The principal of and interest on this bond are payable in lawful money of the United States of America without deduction for the services of the paying agent.

NEITHER THE STATE OF WEST VIRGINIA, THE ISSUER, NOR ANY OTHER POLITICAL SUBDIVISION OF SAID STATE SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES, MONEY AND PROPERTY PLEDGED THEREFORE PURSUANT TO THE TERMS OF THE ORDINANCE AND NEITHER THE TAXING POWER NOR THE FULL FAITH AND CREDIT OF THE STATE OF WEST VIRGINIA, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION OF SAID STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO, BUT THE BONDS ARE LIMITED SPECIAL OBLIGATIONS OF THE ISSUER. SAID BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY

New

CONSTITUTIONAL OR STATUTORY PROVISION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER. NO OFFICER OF THE ISSUER SHALL BE SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF SAID BONDS, ALL OF SUCH LIABILITY BEING EXPRESSLY WAIVED AND RELEASED BY EVERY OWNER HEREOF BY THE ACCEPTANCE HEREOF.

This bond is issued with the intent that the laws of the State of West Virginia shall govern its construction.

Reference is hereby made to the further provisions of this Series 1993 Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THAT CERTAIN COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE BOND, SERIES 1993, OF THE ISSUER, DATED NOVEMBER 19, 1993, IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,185,374.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts and conditions necessary to be done or performed by the Issuer or to have happened precedent to and in the issuance of the Series 1993 Bonds in order to make them legal, valid and binding special obligations of the Issuer in accordance with their terms, and precedent to and in the execution and delivery of the Indenture, have happened and have been performed in regular and due form as required by law; that payment in full for such Series 1993 Bonds has been received; and that such Bonds do not exceed or violate any constitutional or statutory limitation.

The Issuer has designated the Series 1993 bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"). In the opinion of Bond Counsel, the Series 1993 Bonds are "qualified tax-exempt obligations," and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to purchase or carry most tax-exempt obligations does not apply to the Series 1993 Bonds; accordingly, eighty percent (80%) of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 1993 Bonds is deductible for federal income tax purposes.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication appearing hereon shall have been duly and manually executed by the Trustee.

New

IN WITNESS WHEREOF, the City of Wellsburg, West Virginia has caused this bond to be executed in its name by the manual or facsimile signature of its Mayor and the City Clerk and its seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of the City Clerk, all as of the date set forth above.

CITY OF WELLSBURG, WEST VIRGINIA

(SEAL)

By: _____
Mayor

By: Kathleen Trumbert
City Clerk

New

FURTHER PROVISIONS

This bond is one of an authorized series of bonds in the aggregate principal amount of $740,000 (hereinafter called the "Series 1993 Bonds") issued for the purpose of refunding the outstanding $800,000 City of Wellsburg, Sewerage System Revenue Bonds, Series 1977 (the "1977 Bonds") being hereinafter called the "Project," as described in the Ordinance dated October 19, 1993, as supplemented by a Supplemental Resolution approved by the Issuer on November 17, 1993 (hereinafter referred to as the "Ordinance"), authorized by the Issuer, and paying expenses incident thereto, so as to thereby serve the goals promoting and expanding business and industrial development and improving the standard of living of the citizens of Brooke County, West Virginia. The Series 1993 Bonds are issued under and pursuant to the Ordinance, an executed counterpart of which Ordinance is on file at the office of the Commission. The Ordinance contains provisions for the issuance of Additional Bonds, subject to the prior approval of the Registered Owner. Reference is hereby made to the Ordinance and all ordinances supplemental thereto for the provisions, among others, with respect to the custody and application of the proceeds of the Series 1993 Bonds, the collection and disposition of revenues, the revenues charged with and pledged to the payment of the principal of and interest on the Series 1993 Bonds, the nature and extent of the security, the terms and conditions under which the Series 1993 Bonds are issued, the terms and conditions under which Additional Bonds may be issued, the rights, duties and obligations of the Issuer and the rights of the holders of the Series 1993 Bonds, and, by the acceptance of this Series 1993 Bond, the holder hereof assents to all the provisions of the Ordinance.

This Series 1993 Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the United National Bank, as Bond Registrar (the "Registrar") in Charleston, West Virginia, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender and cancellation of this bond. Upon such transfer a new bond or bonds of the same series, interest rate, maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Issuer and the Registrar may deem and treat the Registered Owner thereof as the absolute owner hereof (whether or not this Series 1993 Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar shall be affected by any notice to the contrary.

The Series 1993 Bonds are issuable only as a single bond. The Series 1993 Bonds may, at the option of the Registered Owner thereof, upon the surrender thereof at the principal office of the Registrar with a written instrument of transfer, in form and with guarantee of signature satisfactory to the Registrar, duly executed by the Registered Owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of fully registered bonds of the same series, maturity and interest rate of any other authorized denomination.

The Series 1993 Bonds are subject to optional redemption at any time, without penalty or premium.

New

In the event any of the Series 1993 Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the bonds or porions thereof to be redeemed shall be sent not less than thirty (30) days prior to the redemption date by registered or certified mail to the Registered Owner of each bond to be redeemed at the address shown on the registration books as provided in the Ordinance. All Series 1993 Bonds so called for redemption will cease to bear interest on the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time and shall no longer be secured by the Project's revenues and/or be deemed to be outstanding under the provisions of the Ordinance.

This Series 1993 Bond and the series of which it forms a part, as may be outstanding from time to time, is issued pursuant to and in full conformity with the Constitution and laws of the State of West Virginia, particularly Chapter 8, Article 20, Code of West Virginia of 1931, as amended, and pursuant to the Ordinance.

The Series 1993 Bonds are limited special obligations of the Issuer and are payable solely out of the Project's revenues. Under the Ordinance, the Issuer must pay the Commission such payments as will be fully sufficient to pay the principal of and interest on the Series 1993 Bonds, as the same mature.

Pursuant to the Ordinance, payments sufficient for the prompt payment, when due, of the principal of and interest on the Series 1993 Bonds are to be paid by the Issuer to the Commission and deposited in the Principal and Interest Account of the Revenue Fund. Money in the Revenue Fund and the various accounts established under the Ordinance have been duly pledged and have been assigned to the Registered Owner pursuant to the Ordinance to secure payment of the principal of and interest on the Series 1993 Bonds.

The Registered Owner of the Series 1993 Bond shall have no right to enforce the provisions of the Ordinance or to institute any action to enforce the covenants therein, or to take any action with respect to any event of default under the Ordinance, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Ordinance. In certain events, on the conditions, in the manner and with the effect set forth in the Ordinance, the principal of all the bonds issued under the Ordinance and then outstanding, may become or may be declared due and payable before the stated maturity thereof together with interest accrued thereon. Modifications or alterations of the Ordinance, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Ordinance.

New

CERTIFICATE OF AUTHENTICATION:

This Bond is one of the Series 1993 Bonds described in the Ordinance and has been duly registered in the name set forth above.

Dated: November 19, 1993

UNITED NATIONAL BANK, as Bond Registrar

By: _____
Vice President

New

(Form of Bond Power)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
(Please print or typewrite name, address and Social Security Number of Transferee)

_____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, as Attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

_____

_____

NOTICE: The 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 enlargement or any change whatever.

Schedule X

New

CITY OF WELLSBURG
SERIES 1993

	PRIN DUE	INT DUE	P/I DUE	TOTAL DUE BOND YEAR	RATE
02/19/94	5,922.50	9,173.98	15,096.48		3.00%
05/19/94	5,922.50	9,129.56	15,052.06		3.00%
08/19/94	5,922.50	9,129.56	15,052.06		3.00%
11/19/94	5,922.50	9,085.15	15,007.65	60,208.26	3.00%
02/19/95	6,100.25	9,040.73	15,140.98		3.65%
05/19/95	6,100.25	8,985.06	15,085.31		3.65%
08/19/95	6,100.25	8,929.40	15,029.65		3.65%
11/19/95	6,100.25	8,873.73	14,973.98	60,229.92	3.65%
02/19/96	6,322.75	8,818.07	15,140.82		3.85%
05/19/96	6,322.75	8,757.21	15,079.96		3.85%
08/19/96	6,322.75	8,696.35	15,019.10		3.85%
11/19/96	6,322.75	8,635.50	14,958.25	60,198.13	3.85%
02/19/97	6,566.25	8,574.64	15,140.89		4.10%
05/19/97	6,566.25	8,507.34	15,073.59		4.10%
08/19/97	6,566.25	8,440.03	15,006.28		4.10%
11/19/97	6,566.25	8,372.73	14,938.98	60,159.74	4.10%
02/19/98	6,835.50	8,305.43	15,140.93		4.30%
05/19/98	6,835.50	8,231.94	15,067.44		4.30%
08/19/98	6,835.50	8,158.46	14,993.96		4.30%
11/19/98	6,835.50	8,084.98	14,920.48	60,122.81	4.30%
02/19/99	7,129.50	8,011.50	15,141.00		4.50%
05/19/99	7,129.50	7,931.29	15,060.79		4.50%
08/19/99	7,129.50	7,851.09	14,980.59		4.50%
11/19/99	7,129.50	7,770.88	14,900.38	60,082.76	4.50%
02/19/00	7,450.25	7,690.67	15,140.92		4.60%
05/19/00	7,450.25	7,604.99	15,055.24		4.60%
08/19/00	7,450.25	7,519.32	14,969.57		4.60%
11/19/00	7,450.25	7,433.64	14,883.89	60,049.62	4.60%
02/19/01	7,793.00	7,347.96	15,140.96		4.70%
05/19/01	7,793.00	7,256.39	15,049.39		4.70%
08/19/01	7,793.00	7,164.82	14,957.82		4.70%
11/19/01	7,793.00	7,073.26	14,866.26	60,014.43	4.70%
02/19/02	8,159.25	6,981.69	15,140.94		4.80%
05/19/02	8,159.25	6,883.78	15,043.03		4.80%
08/19/02	8,159.25	6,785.87	14,945.12		4.80%
11/19/02	8,159.25	6,687.96	14,847.21	59,976.29	4.80%
02/19/03	8,550.75	6,590.05	15,140.80		4.90%
05/19/03	8,550.75	6,485.30	15,036.05		4.90%
08/19/03	8,550.75	6,380.55	14,931.30		4.90%
11/19/03	8,550.75	6,275.81	14,826.56	59,934.70	4.90%
02/19/04	8,969.75	6,171.06	15,140.81		5.00%
05/19/04	8,969.75	6,058.94	15,028.69		5.00%
08/19/04	8,969.75	5,946.81	14,916.56		5.00%
11/19/04	8,969.75	5,834.69	14,804.44	59,890.50	5.00%
02/19/05	9,418.25	5,722.57	15,140.82		5.10%
05/19/05	9,418.25	5,602.49	15,020.74		5.10%
08/19/05	9,418.25	5,482.41	14,900.66		5.10%
11/19/05	9,418.25	5,362.32	14,780.57	59,842.79	5.10%

New

CITY OF WELLSBURG
SERIES 1993

	PRIN DUE	INT DUE	P/I DUE	TOTAL DUE BOND YEAR	RATE
02/19/06	9,898.75	5,242.24	15,140.99		5.20%
05/19/06	9,898.75	5,113.56	15,012.31		5.20%
08/19/06	9,898.75	4,984.87	14,883.62		5.20%
11/19/06	9,898.75	4,856.19	14,754.94	59,791.86	5.20%
02/19/07	10,413.25	4,727.51	15,140.76		5.30%
05/19/07	10,413.25	4,589.53	15,002.78		5.30%
08/19/07	10,413.25	4,451.55	14,864.80		5.30%
11/19/07	10,413.25	4,313.58	14,726.83	59,735.17	5.30%
02/19/08	10,965.25	4,175.60	15,140.85		5.40%
05/19/08	10,965.25	4,027.57	14,992.82		5.40%
08/19/08	10,965.25	3,879.54	14,844.79		5.40%
11/19/08	10,965.25	3,731.51	14,696.76	59,675.23	5.40%
02/19/09	11,557.50	3,583.48	15,140.98		5.45%
05/19/09	11,557.50	3,426.01	14,983.51		5.45%
08/19/09	11,557.50	3,268.54	14,826.04		5.45%
11/19/09	11,557.50	3,111.07	14,668.57	59,619.09	5.45%
02/19/10	12,187.25	2,953.60	15,140.85		5.50%
05/19/10	12,187.25	2,786.02	14,973.27		5.50%
08/19/10	12,187.25	2,618.45	14,805.70		5.50%
11/19/10	12,187.25	2,450.87	14,638.12	59,557.93	5.50%
02/19/11	12,857.50	2,283.30	15,140.80		5.55%
05/19/11	12,857.50	2,104.90	14,962.40		5.55%
08/19/11	12,857.50	1,926.50	14,784.00		5.55%
11/19/11	12,857.50	1,748.10	14,605.60	59,492.80	5.55%
02/19/12	13,571.25	1,569.71	15,140.96		5.60%
05/19/12	13,571.25	1,379.71	14,950.96		5.60%
08/19/12	13,571.25	1,189.71	14,760.96		5.60%
11/19/12	13,571.25	999.71	14,570.96	59,423.84	5.60%
02/19/13	14,331.25	809.72	15,140.97		5.65%
05/19/13	14,331.25	607.29	14,938.54		5.65%
08/19/13	14,331.25	404.86	14,736.11		5.65%
11/19/13	14,331.25	202.43	14,533.68	59,349.29	5.65%
	740,000.00	457,355.16	1,197,355.16	1,197,355.16	

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and/or continued with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Refunding Fund; and

(2) Revenue Fund, including the following accounts:

(a) Operating and Maintenance Account;

(b) Principal and Interest Account;

(c) Redemption Account; and

(d) Bondholders Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special fund is hereby created with the Commission:

Series 1993 Bond Sinking Fund

Section 4.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt into the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and in the Revenue Bond Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first each month transfer from the Revenue Account to the Operation and Maintenance Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) So long as any of the Bonds and the Revenue Bond remain outstanding and unpaid or until provisions for payment of the Bonds and the Revenue Bond and the interest thereon and any applicable redemption premiums have been made in full by deposit of the necessary funds with the Commission or Depository Bank, as the case may be, the Issuer shall remit to (i) the Commission, (ii) the Depository Bank, or (iii) the holder thereof for any bond owned by the United States of America or any agency

or department thereof directly to the United States of America or said agency or department, the sums required to provide for payment of principal of and interest on the Bonds and the Revenue Bond in the manner provided in the Ordinance and in the Revenue Bond Ordinance. The Issuer shall deposit in the Series 1993 Bond Sinking Fund one-third (1/3) of the interest payment next coming due on the Bonds and one-third (1/3) of the principal payment next coming due on the Bonds beginning three (3) months prior to the first date of payment of principal of the Bonds. The Issuer shall submit payments monthly to the Commission with instructions that the Commission will make payments to the Bondholder at such address as is given to the Commission in writing by the Bondholder. The Issuer shall instruct the Commission to notify the Bondholder of any monthly payments which are not received by the 20th day of the month in which the payment was due.

Moneys in the Series 1993 Bond Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, as the same shall become due.

All investment earnings on moneys in the Series 1993 Bond Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the Bonds, and then to the next ensuing principal payments due thereon.

As and when additional bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective Sinking Fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum provided and required to be paid into the concomitant Sinking Fund in any year for account of the bonds of such series, including such additional bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1993 Bond Sinking Fund when the aggregate amount of funds in said Series 1993 Bond Sinking Fund are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Ordinance then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1993 Bond Sinking Fund created hereunder, and all amounts required for said Series 1993 Bond Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1993 Bond Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

The Series 1993 Bond Sinking Fund shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any additional bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Fund and the reserve account established with respect to the Revenue Bond and the Series 1993 Bond Sinking Fund during the following month or such other period as required by law, such excess shall be deposited in the Redemption Account established hereunder and used to redeem the Bonds or for any lawful purposes of the Issuer.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Commission's fees, the Registrar's fees, the Paying Agent's fees and the Depository Bank's charges then due.

D. WesBanco, Wellsburg Branch is hereby designated the Depository Bank. The Issuer appoints United National Bank, as Registrar for the Bonds, and the Commission is hereby designated as Paying Agent for the Bonds.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of

curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

ARTICLE V

BOND PROCEEDS; DISBURSEMENTS

Section 5.01. Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Bonds, and subject to Section 5.02 below, there shall first be credited to the Refunding Fund $732,023.44, which shall be deposited with the Commission and which, together with money already on deposit with the Commission, shall be sufficient to refund the outstanding 1977 Bonds.

B. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Revenue Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 5.02.

C. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Revenue Fund and shall comply with all requirements with respect to the disposition of the Revenue Fund set forth in this Ordinance. Moneys in the Revenue Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Bonds.

Section 5.01. Deposits to Revenue Fund. The Net Revenues from the operation of the System shall be deposited into the Revenue Fund for the purposes described in Section 4.03.

Section 5.02. Disbursements From the Revenue Fund. Payments for Costs of the Project shall be made at closing.

Except as provided in Section 5.01 hereof, disbursements from the Revenue Fund (except for the costs of issuance of the Bonds which shall be made upon request of the Issuer), shall be made by the Depository Bank at the direction of the Issuer.

Until disbursed by the Issuer, moneys in the Revenue Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall apply any excess moneys in full, first to the next ensuing interest payments, if any, due on the Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. 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 Bondholders. In addition to the other covenants, agreements and provisions of this Bondholders, the Issuer hereby covenants and agrees with the Bondholders 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 said Bonds or the interest thereon is Outstanding and unpaid.

Section 6.02. Bonds Not to be Indebtedness of the Issuer. The Bonds shall 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 funds pledged for such payment by this Ordinance. No Bondholders shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds issued hereunder shall be secured forthwith by a lien on the Net Revenues derived from the operation of the System on a parity with that in favor of holder of the 1993 Revenue Bond.

The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and the Revenue Bond and to make the payments into the Series 1993 Bond Sinking Fund and all other payments provided for in the Ordinance are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the Revenue Bond as the same become due, and for the other purposes provided in the Ordinance.

Section 6.04. Initial Schedule of Rates and Charges. The schedule of rates and charges for the services and facilities of the System shall be as set forth in the existing rate ordinance of the Issuer.

Section 6.05. Sale of the System. Except as otherwise required by state law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Outstanding Bonds or to effectively defease the Revenue Bond and this Ordinance in accordance with Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Outstanding Bonds, immediately be remitted to the Commission for deposit in the Bond Sinking Fund for the Bonds and for the Revenue Bond, and with the written permission of the Bondholders, of both issues, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Outstanding Bonds. Any balance remaining after the payment of all the Outstanding Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by ordinance, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Bondholders Account. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with a consulting engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by ordinance duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Series 1993 Bond Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus three percent (3%) of such par value or otherwise. Such payment of such proceeds into the Series 1993 Bond Sinking 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 if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then outstanding without the prior approval and consent in writing of the Bondholders, or their duly authorized representatives, of over fifty percent (50%) in amount of the Bonds then outstanding and a consulting engineer. The Issuer shall prepare the form of such approval and consent for execution by the Bondholder for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 6.06 and in Section 6.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds.

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

Section 6.07. Parity Bonds. Except for the Revenue Bond, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bonds issued pursuant to this Ordinance except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Bonds, and, so long as any of the Bond is outstanding, on a parity therewith.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by a consulting engineer, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any twelve (12) consecutive months, within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of a consulting engineer, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of a consulting engineer and said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by a consulting engineer and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Ordinance.

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

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

Section 6.08. 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 the Bondholder shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other

bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Bondholders, and shall mail in each year to any Bondholder requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance with respect to the Bonds and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to the Bondholder. Such audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Ordinance and that Gross Revenues are adequate to meet operation/maintenance expenses and debt service requirements.

Section 6.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder and under the 1993 Ordinance. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System; (ii) to leave a balance each year equal

to at least one hundred fifteen percent (115%) of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; and (iii) otherwise comply with the rate covenant set forth in the 1993 Ordinance so long as the Revenue Bond remains outstanding; provided that, in the event that amounts equal to or in excess of the required amounts are on deposit in the reserve accounts for obligations prior to or on a parity with the Bonds, such balance each year need only equal at least one hundred ten percent (110%) of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 6.04.

Section 6.10. Operating Budget and Audit. The Issuer shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt by ordinance a detailed, balanced budget of the estimated reserves and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a consulting engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by an ordinance duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon the further certificate of a consulting engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall, within thirty (30) days of the adoption thereof, mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Bondholders, which shall file its address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished it shall make available such budgets and all ordinances authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Bondholder, or anyone acting for and on behalf of such Bondholder.

Section 6.11. Engineering Services and Operating Personnel. The Issuer shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project.

Section 6.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow

the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by State law and the rules and regulations of the Public Service Commission 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 thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid, to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 6.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.15. Insurance. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the

Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, ON ALL above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Operation and Maintenance Account and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said account.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of one hundred percent (100%) of the cost of any improvements or additions to be made to the System, and such payment bonds will be filed with the City Clerk prior to commencement of construction of any project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

B. The Issuer shall require any contractors engaged in any construction on the Project to furnish a performance bond and a payment bond, each in an amount equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

C. The Issuer shall also require any contractors engaged in any construction on the Project to carry such Workers' Compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

Section 6.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a thirty (30) day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction, provided that Issuer gives no assurance of compliance with these requirements for parties outside the limits of the Issuer.

Section 6.17. Permits and Orders. The Issuer will operate and maintain the System in good condition and in compliance with all federal and State requirements and standards.

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

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

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

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

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

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it so that the interest on the Bonds will

be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions which would adversely affect such exclusion.

ARTICLE VII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 7.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and re-invested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are outstanding.

Section 7.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's

reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "Arbitrage Bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal Information Return with respect to the Bonds) so that the interest on the 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 7.03. Tax Certificate and Rebate. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that ninety-five percent (95%) or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code. For purposes of this Section 7.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 7.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity, and an entity formed (or, to the extent provided by the Mayor, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions:

(i) the Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Bonds. In addition, the Issuer covenants to comply with all regulations from time to time in effect and applicable to the 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 Section 148(f) of the Code, regardless of whether such actions may be contrary to any of the provisions of this Ordinance; and

(ii) the Issuer shall calculate the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in a separate account such sums as are necessary to cause the aggregate amount on deposit in such account to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, such account 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 such account 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 such account, the rebatable arbitrage in accordance with Section 148(f) of the Code. In the event that there are any amounts remaining in such account following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such regulations. In the event that, for any reason, amounts in such account are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code. 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 Bonds from gross income for federal income tax purposes.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Ordinance or any supplemental ordinance or in the Bonds, and such default shall have continued for a period of thirty (30) days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or the Bondholder; or

(3) If an Event of Default occurs under the Revenue Bond Ordinance; or

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

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, the Bondholder may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce its rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of the Bondholder including the right to require the Issuer to perform its duties under the Act and the Ordinance relating thereto including the Revenue Bond Ordinance, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholder, and (v) by action or bill in equity enjoin any acts in violation of the Ordinance with respect to the Bonds, or the rights of the Bondholder.

Section 8.03. Appointment of Receiver. The Bondholder may, by proper legal action, compel the performance of the duties of the Issuer under the Ordinance, and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Bonds, the Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by its agents and attorneys, enter into and upon and take possession of

all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this 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, the Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Bondholder. 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 Bondholder and the curing and making good of any Event of Default with respect thereto 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, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholder, 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 with respect to the Bonds only the pledge of Net Revenues and other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the Issuer to the Bondholder 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 either at maturity or at the next redemption date, the principal installments of and interest on such Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said the Bonds provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on the Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Ordinance. No material modification or amendment of this Ordinance, or of any ordinance amendatory or supplemental hereto, that would materially and adversely affect the respective rights of the Bondholder shall

be made without the consent in writing of the holder of 66 2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Ordinance may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Bonds from gross income of the holders thereof.

Section 10.02. Ordinance Constitutes Contract. The provisions of the Ordinance shall constitute a contract between the Issuer and the Bondholder, and no change, variation or alteration of any kind of the provisions of the Ordinance shall be made in any manner, except as in this Ordinance provided.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, any Supplemental Ordinance or the Bonds.

Section 10.04. Headings, Etc. The headings and captions of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 10.06. Covenant of Due Procedure; Governing Law. 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 enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

The laws of the State shall govern the construction of this Ordinance and the Bonds issued hereunder.

Section 10.07. Bank Qualified Bonds. The Issuer and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1993, and the Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Revenue Code").

Section 10.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for two (2) consecutive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Wellsburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the City Council upon a certain date, which shall not be less than ten (10) days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last date of publication of such abstract and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested 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 10.09. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading - October 12, 1993

Passed on Second Reading - October 19, 1993

Enacted
Following Public Hearing - November 2, 1993

The Supplemented Resolution was passed and enacted on November 17, 1993.

WITNESS the signature and seal of the City of Wellsburg, West Virginia, a municipal corporation, by authority of an Ordinance approved at a meeting duly called and held at the Wellsburg City Hall, Wellsburg, West Virginia, on the 2nd day of November, 1993.

CITY OF WELLSBURG, WEST VIRGINIA

By_____
Mayor

[CITY SEAL]

ATTEST:

_____
City Clerk

CERTIFICATE

The undersigned hereby certifies that she is the City Clerk of the City of Wellsburg, West Virginia (the "City"), and that attached hereto is a true, correct and complete copy of an Ordinance approved on first and second reading, and after a public hearing, by a majority of the members of the City Council of the City present and voting at meetings duly called and held on October 12, October 19, and November 2, 1993, respectively, in accordance with law, at which quorums were present and acting throughout, and that such Ordinance has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my hand and the seal of the City on the 2nd day of November, 1993.

(SEAL)

_____

City Clerk

Attached hereto is the Conformed Ordinance of the City of Wellsburg, West Virginia, Authorizing the Acquisition of Certain Equipment and the Acquisition and Construction of Additions, Betterments and Improvements to the Existing Combined Waterworks and Sewerage Facilities of the City of Wellsburg, West Virginia, and the Financing of the Cost, Not Otherwise Provided Thereof, Through the Issuance by the City of Up To $1,185,374 in Aggregate Principal Amount of Combined Waterworks and Sewage System Revenue Bond, Series 1993; Providing for the Rights and Remedies of and Security for the Owners of Such Bonds; Approving and Ratifying a Loan Agreement Relating to Such Bonds; Pledging Net Revenues as Security for Bonds; and Authorizing the Sale and Providing for the Terms and Provisions of Such Bonds and Adopting Other Provisions Relating Thereto. This Conformed Ordinance represents the Ordinance approved by the City Council of the City of Wellsburg (the "City Council") on September 14, 1993, as supplemented by a Supplemental Ordinance approved by the City Council on October 19, 1993, and as supplemented by a Supplemental Resolution approved by the City Council on November 17, 1993. The Conformed Ordinance does not represent the actual Ordinance, Supplemental Ordinance or Supplemental Resolution adopted by the City Council. Rather, it represents a compilation of the Ordinance, Supplemental Ordinance and Supplemental Resolution and has been prepared for posterity purposes and for convenience in reviewing the actions undertaken by the City Council. The portions of the Ordinance which were modified by the Supplemental Ordinance and the Supplemental Resolution have been marked to show the changes made.

UNITED STATES OF AMERICA

CITY OF WELLSBURG, WEST VIRGINIA

COMBINED WATERWORKS AND SEWAGE SYSTEM
REVENUE REFUNDING BONDS

SERIES 1993

SPECIMEN

No. R-1 Principal Amount: $740,000.00

Rate of Interest:	Maturity Date:	Dated Date:
See schedule attached	November 1, 2013	November 19, 1993

Registered Owner: United National Bank

KNOW ALL MEN BY THESE PRESENTS THAT the City of Wellsburg, West Virginia, a body corporate and governmental instrumentality created and existing under the laws of the State of West Virginia (hereinafter called the "Issuer"), for value received, promises to pay, but solely from the hereinafter described Revenue Fund, to the Registered Owner identified above, or registered assigns, the principal amount hereof and to pay solely from said Revenue Fund interest (computed on the basis of the actual number of days over a calendar year of 360 days) on the amount advanced, from the most recent Payment Date to which interest has been paid, or if no interest has been paid, from November 19, 1993, at the Rate of Interest per annum and in the amounts shown on the Debt Service Schedule attached hereto, made a part hereof and labelled as Schedule X, payable quarterly on the 19th day of each February, May, August and November, commencing February 19, 1994 (such dates being hereinafter referred to as the "Payment Dates"), until payment of the principal amount hereof, except as the provisions as hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. Principal and interest on this bond are payable by the West Virginia Municipal Bond Commission (the "Commission"), on the Payment Dates. Beginning February 19, 1994, quarterly payments (representing principal and interest on total indebtedness of $740,000.00) shall be payable over the remaining term from November 19, 1993, to November 19, 2013, on the Payment Dates. The principal of and interest on this bond are payable in lawful money of the United States of America without deduction for the services of the paying agent.

NEITHER THE STATE OF WEST VIRGINIA, THE ISSUER, NOR ANY OTHER POLITICAL SUBDIVISION OF SAID STATE SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES, MONEY AND PROPERTY PLEDGED THEREFORE PURSUANT TO THE TERMS OF THE ORDINANCE AND NEITHER THE TAXING POWER NOR THE FULL FAITH AND CREDIT OF THE STATE OF WEST VIRGINIA, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION OF SAID STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO, BUT THE BONDS ARE LIMITED SPECIAL OBLIGATIONS OF THE ISSUER. SAID BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY

CONSTITUTIONAL OR STATUTORY PROVISION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER. NO OFFICER OF THE ISSUER SHALL BE SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF SAID BONDS, ALL OF SUCH LIABILITY BEING EXPRESSLY WAIVED AND RELEASED BY EVERY OWNER HEREOF BY THE ACCEPTANCE HEREOF.

This bond is issued with the intent that the laws of the State of West Virginia shall govern its construction.

Reference is hereby made to the further provisions of this Series 1993 Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THAT CERTAIN COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE BOND, SERIES 1993, OF THE ISSUER, DATED NOVEMBER 19, 1993, IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,185,374.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts and conditions necessary to be done or performed by the Issuer or to have happened precedent to and in the issuance of the Series 1993 Bonds in order to make them legal, valid and binding special obligations of the Issuer in accordance with their terms, and precedent to and in the execution and delivery of the Indenture, have happened and have been performed in regular and due form as required by law; that payment in full for such Series 1993 Bonds has been received; and that such Bonds do not exceed or violate any constitutional or statutory limitation.

The Issuer has designated the Series 1993 bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"). In the opinion of Bond Counsel, the Series 1993 Bonds are "qualified tax-exempt obligations," and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to purchase or carry most tax-exempt obligations does not apply to the Series 1993 Bonds; accordingly, eighty percent (80%) of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 1993 Bonds is deductible for federal income tax purposes.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication appearing hereon shall have been duly and manually executed by the Trustee.

IN WITNESS WHEREOF, the City of Wellsburg, West Virginia has caused this bond to be executed in its name by the manual or facsimile signature of its Mayor and the City Clerk and its seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of the City Clerk, all as of the date set forth above.

CITY OF WELLSBURG, WEST VIRGINIA

(SEAL)

By: _____
Mayor

By: Kathleen Trumbett
City Clerk

FURTHER PROVISIONS

This bond is one of an authorized series of bonds in the aggregate principal amount of $740,000 (hereinafter called the "Series 1993 Bonds") issued for the purpose of refunding the outstanding $800,000 City of Wellsburg, Sewerage System Revenue Bonds, Series 1977 (the "1977 Bonds") being hereinafter called the "Project," as described in the Ordinance dated October 19, 1993, as supplemented by a Supplemental Resolution approved by the Issuer on November 17, 1993 (hereinafter referred to as the "Ordinance"), authorized by the Issuer, and paying expenses incident thereto, so as to thereby serve the goals promoting and expanding business and industrial development and improving the standard of living of the citizens of Brooke County, West Virginia. The Series 1993 Bonds are issued under and pursuant to the Ordinance, an executed counterpart of which Ordinance is on file at the office of the Commission. The Ordinance contains provisions for the issuance of Additional Bonds, subject to the prior approval of the Registered Owner. Reference is hereby made to the Ordinance and all ordinances supplemental thereto for the provisions, among others, with respect to the custody and application of the proceeds of the Series 1993 Bonds, the collection and disposition of revenues, the revenues charged with and pledged to the payment of the principal of and interest on the Series 1993 Bonds, the nature and extent of the security, the terms and conditions under which the Series 1993 Bonds are issued, the terms and conditions under which Additional Bonds may be issued, the rights, duties and obligations of the Issuer and the rights of the holders of the Series 1993 Bonds, and, by the acceptance of this Series 1993 Bond, the holder hereof assents to all the provisions of the Ordinance.

This Series 1993 Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the United National Bank, as Bond Registrar (the "Registrar") in Charleston, West Virginia, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender and cancellation of this bond. Upon such transfer a new bond or bonds of the same series, interest rate, maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Issuer and the Registrar may deem and treat the Registered Owner thereof as the absolute owner hereof (whether or not this Series 1993 Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar shall be affected by any notice to the contrary.

The Series 1993 Bonds are issuable only as a single bond. The Series 1993 Bonds may, at the option of the Registered Owner thereof, upon the surrender thereof at the principal office of the Registrar with a written instrument of transfer, in form and with guarantee of signature satisfactory to the Registrar, duly executed by the Registered Owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of fully registered bonds of the same series, maturity and interest rate of any other authorized denomination.

The Series 1993 Bonds are subject to optional redemption at any time, without penalty or premium.

In the event any of the Series 1993 Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the bonds or porions thereof to be redeemed shall be sent not less than thirty (30) days prior to the redemption date by registered or certified mail to the Registered Owner of each bond to be redeemed at the address shown on the registration books as provided in the Ordinance. All Series 1993 Bonds so called for redemption will cease to bear interest on the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time and shall no longer be secured by the Project's revenues and/or be deemed to be outstanding under the provisions of the Ordinance.

This Series 1993 Bond and the series of which it forms a part, as may be outstanding from time to time, is issued pursuant to and in full conformity with the Constitution and laws of the State of West Virginia, particularly Chapter 8, Article 20, Code of West Virginia of 1931, as amended, and pursuant to the Ordinance.

The Series 1993 Bonds are limited special obligations of the Issuer and are payable solely out of the Project's revenues. Under the Ordinance, the Issuer must pay the Commission such payments as will be fully sufficient to pay the principal of and interest on the Series 1993 Bonds, as the same mature.

Pursuant to the Ordinance, payments sufficient for the prompt payment, when due, of the principal of and interest on the Series 1993 Bonds are to be paid by the Issuer to the Commission and deposited in the Principal and Interest Account of the Revenue Fund. Money in the Revenue Fund and the various accounts established under the Ordinance have been duly pledged and have been assigned to the Registered Owner pursuant to the Ordinance to secure payment of the principal of and interest on the Series 1993 Bonds.

The Registered Owner of the Series 1993 Bond shall have no right to enforce the provisions of the Ordinance or to institute any action to enforce the covenants therein, or to take any action with respect to any event of default under the Ordinance, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Ordinance. In certain events, on the conditions, in the manner and with the effect set forth in the Ordinance, the principal of all the bonds issued under the Ordinance and then outstanding, may become or may be declared due and payable before the stated maturity thereof together with interest accrued thereon. Modifications or alterations of the Ordinance, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Ordinance.

CERTIFICATE OF AUTHENTICATION:

This Bond is one of the Series 1993 Bonds described in the Ordinance and has been duly registered in the name set forth above.

Dated: November 19, 1993

UNITED NATIONAL BANK, as Bond Registrar

By: _____
Vice President

(Form of Bond Power)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
(Please print or typewrite name, address and Social Security Number of Transferee)

_____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, as Attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

_____

_____
NOTICE: The 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 enlargement or any change whatever.

Schedule X

CITY OF WELLSBURG
SERIES 1993

	PRIN DUE	INT DUE	P/I DUE	TOTAL DUE BOND YEAR	RATE
02/19/94	5,922.50	9,173.98	15,096.48		3.00%
05/19/94	5,922.50	9,129.56	15,052.06		3.00%
08/19/94	5,922.50	9,129.56	15,052.06		3.00%
11/19/94	5,922.50	9,085.15	15,007.65	60,208.26	3.00%
02/19/95	6,100.25	9,040.73	15,140.98		3.65%
05/19/95	6,100.25	8,985.06	15,085.31		3.65%
08/19/95	6,100.25	8,929.40	15,029.65		3.65%
11/19/95	6,100.25	8,873.73	14,973.98	60,229.92	3.65%
02/19/96	6,322.75	8,818.07	15,140.82		3.85%
05/19/96	6,322.75	8,757.21	15,079.96		3.85%
08/19/96	6,322.75	8,696.35	15,019.10		3.85%
11/19/96	6,322.75	8,635.50	14,958.25	60,198.13	3.85%
02/19/97	6,566.25	8,574.64	15,140.89		4.10%
05/19/97	6,566.25	8,507.34	15,073.59		4.10%
08/19/97	6,566.25	8,440.03	15,006.28		4.10%
11/19/97	6,566.25	8,372.73	14,938.98	60,159.74	4.10%
02/19/98	6,835.50	8,305.43	15,140.93		4.30%
05/19/98	6,835.50	8,231.94	15,067.44		4.30%
08/19/98	6,835.50	8,158.46	14,993.96		4.30%
11/19/98	6,835.50	8,084.98	14,920.48	60,122.81	4.30%
02/19/99	7,129.50	8,011.50	15,141.00		4.50%
05/19/99	7,129.50	7,931.29	15,060.79		4.50%
08/19/99	7,129.50	7,851.09	14,980.59		4.50%
11/19/99	7,129.50	7,770.88	14,900.38	60,082.76	4.50%
02/19/00	7,450.25	7,690.67	15,140.92		4.60%
05/19/00	7,450.25	7,604.99	15,055.24		4.60%
08/19/00	7,450.25	7,519.32	14,969.57		4.60%
11/19/00	7,450.25	7,433.64	14,883.89	60,049.62	4.60%
02/19/01	7,793.00	7,347.96	15,140.96		4.70%
05/19/01	7,793.00	7,256.39	15,049.39		4.70%
08/19/01	7,793.00	7,164.82	14,957.82		4.70%
11/19/01	7,793.00	7,073.26	14,866.26	60,014.43	4.70%
02/19/02	8,159.25	6,981.69	15,140.94		4.80%
05/19/02	8,159.25	6,883.78	15,043.03		4.80%
08/19/02	8,159.25	6,785.87	14,945.12		4.80%
11/19/02	8,159.25	6,687.96	14,847.21	59,976.29	4.80%
02/19/03	8,550.75	6,590.05	15,140.80		4.90%
05/19/03	8,550.75	6,485.30	15,036.05		4.90%
08/19/03	8,550.75	6,380.55	14,931.30		4.90%
11/19/03	8,550.75	6,275.81	14,826.56	59,934.70	4.90%
02/19/04	8,969.75	6,171.06	15,140.81		5.00%
05/19/04	8,969.75	6,058.94	15,028.69		5.00%
08/19/04	8,969.75	5,946.81	14,916.56		5.00%
11/19/04	8,969.75	5,834.69	14,804.44	59,890.50	5.00%
02/19/05	9,418.25	5,722.57	15,140.82		5.10%
05/19/05	9,418.25	5,602.49	15,020.74		5.10%
08/19/05	9,418.25	5,482.41	14,900.66		5.10%
11/19/05	9,418.25	5,362.32	14,780.57	59,842.79	5.10%

CITY OF WELLSBURG
SERIES 1993

	PRIN DUE	INT DUE	P/I DUE	TOTAL DUE BOND YEAR	RATE
02/19/06	9,898.75	5,242.24	15,140.99		5.20%
05/19/06	9,898.75	5,113.56	15,012.31		5.20%
08/19/06	9,898.75	4,984.87	14,883.62		5.20%
11/19/06	9,898.75	4,856.19	14,754.94	59,791.86	5.20%
02/19/07	10,413.25	4,727.51	15,140.76		5.30%
05/19/07	10,413.25	4,589.53	15,002.78		5.30%
08/19/07	10,413.25	4,451.55	14,864.80		5.30%
11/19/07	10,413.25	4,313.58	14,726.83	59,735.17	5.30%
02/19/08	10,965.25	4,175.60	15,140.85		5.40%
05/19/08	10,965.25	4,027.57	14,992.82		5.40%
08/19/08	10,965.25	3,879.54	14,844.79		5.40%
11/19/08	10,965.25	3,731.51	14,696.76	59,675.23	5.40%
02/19/09	11,557.50	3,583.48	15,140.98		5.45%
05/19/09	11,557.50	3,426.01	14,983.51		5.45%
08/19/09	11,557.50	3,268.54	14,826.04		5.45%
11/19/09	11,557.50	3,111.07	14,668.57	59,619.09	5.45%
02/19/10	12,187.25	2,953.60	15,140.85		5.50%
05/19/10	12,187.25	2,786.02	14,973.27		5.50%
08/19/10	12,187.25	2,618.45	14,805.70		5.50%
11/19/10	12,187.25	2,450.87	14,638.12	59,557.93	5.50%
02/19/11	12,857.50	2,283.30	15,140.80		5.55%
05/19/11	12,857.50	2,104.90	14,962.40		5.55%
08/19/11	12,857.50	1,926.50	14,784.00		5.55%
11/19/11	12,857.50	1,748.10	14,605.60	59,492.80	5.55%
02/19/12	13,571.25	1,569.71	15,140.96		5.60%
05/19/12	13,571.25	1,379.71	14,950.96		5.60%
08/19/12	13,571.25	1,189.71	14,760.96		5.60%
11/19/12	13,571.25	999.71	14,570.96	59,423.84	5.60%
02/19/13	14,331.25	809.72	15,140.97		5.65%
05/19/13	14,331.25	607.29	14,938.54		5.65%
08/19/13	14,331.25	404.86	14,736.11		5.65%
11/19/13	14,331.25	202.43	14,533.68	59,349.29	5.65%
	740,000.00	457,355.16	1,197,355.16	1,197,355.16	

CITY OF WELLSBURG, WEST VIRGINIA

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION OF CERTAIN EQUIPMENT THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF WELLSBURG, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF UP TO $1,106,428 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; PLEDGING NET REVENUES AS SECURITY FOR BONDS; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewage treatment, collection and transportation system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer and surrounding areas that there be constructed certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting of acquisition of a high velocity combination sewer cleaner and internal sewer inspection equipment and acquisition and construction of new and replacement lines within the city, together with all appurtenant facilities (the "Project") which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing sewerage facilities of the Issuer, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $1,735,823.62, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all sinking funds, reserve accounts and other payments provided for herein and all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bond in the total aggregate principal amount of $1,106,428 (the "Original Bonds") to finance the cost of the construction and improvement to the System in the manner hereinafter provided.

E. The estimated maximum cost of construction and acquisition of the Project is $1,735,823.62, of which $1,106,428 will be obtained from the sale of

the Bonds, $624,362 from a Small Cities Block Grant hereinafter defined, and a $5,033.62 contribution from the Issuer. The cost of such acquisition and construction shall be deemed to include but not limited to the cost of all property rights, easements and franchises deemed necessary or convenient therefor; amounts which may be deposited in the Series 1993 Bond Reserve Account; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of DEP (hereinafter defined) or the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

G. The Issuer has completed and filed with the Authority and the West Virginia Division of Environmental Protection ("DEP") an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), and upon review thereof, the Authority and DEP have indicated their willingness to lend the Issuer $1,106,428 through the purchase of revenue bonds of the Issuer with moneys held in the Fund, hereinafter defined, subject to the Issuer's satisfaction of certain legal and other requirements of the Program, hereinafter defined.

H. It is in the best interests of the Issuer that its Original Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer, DEP and the Authority, in form satisfactory to the Issuer, DEP and the Authority or, as shall be approved by a Supplemental Resolution (hereinafter defined).

I. There is a prior obligation of the Issuer being the Sewerage System Revenue Bonds, Series 1977 dated March 21, 1978, issued pursuant to an Ordinance of the Issuer (the "1977 Ordinance") in the original aggregate principal amount of $800,000 (the "Series 1977 Bonds"). The Bonds hereby authorized will be on a parity with the Series 1977 Bonds as to lien and source of payment.

J. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or such final order will not be subject to appeal.

K. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and System, and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of

Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year in which the Original Bonds are to be issued.

L. Pursuant to the Local Act, the Issuer has heretofore established a Combined Waterworks and Sewage System Board (the "Board"), and the Board has petitioned the Council to enact this Ordinance and issue the Bonds, as needed for the purposes set forth herein.

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

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

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

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

"Bond Registrar" means the bank or other entity designated herein or in any Supplemental Resolution and its successors and assigns.

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

"Bonds" mean the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Authority.

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

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

"Construction Fund" means the Construction Fund established by Section 4.01 hereof.

"Consulting Engineers" means Gills, Guard and Johnson, Inc., Willoughby, Ohio or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

"DEP" means the West Virginia Division of Environmental Protection or any other agency of the State of West Virginia that succeeds to the functions of DEP.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means the bank designated as such in the Ordinance or in the Supplemental Resolution or letter, and its successors and assigns.

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

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

"Fund" means the West Virginia State Revolving Fund created pursuant to Chapter 20, Article 5I, Section 1, et seq., of the Code of West Virginia of 1931, as amended.

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

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

"Grant Agreement" means a written commitment for the payment of the Small Cities Block Grant, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Grant Receipts" means all moneys received by the Issuer on account of the Small Cities Block Grant.

"Grants" means, collectively, the Small Cities Block Grant and any Other Grants.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the

sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Issuer" means the City of Wellsburg, in Brooke County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean the Loan Agreement to be entered into among the Authority, DEP and the Issuer providing for the purchase of the Original Bond from the Issuer by the Authority, the forms of which may be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1993 Bond, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1993 Bond Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1993 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operation and Maintenance Fund" means the Operation and Maintenance Fund established by Section 4.01 hereof.

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

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $1,106,428 in aggregate principal amount of Series 1993 Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Other Grants" means any grant other than the Small Cities Block Grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered including the outstanding Series 1977 Bonds except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or any Bonds registered to the Issuer.

"1977 Ordinance" means the Ordinance created by the Issuer authorizing the Series 1977 Bonds.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitation prescribed by Section 6.07 hereof.

"Paying Agent" means the West Virginia Municipal Bond Commission, its successors and assigns.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Program" means the State DEP Revolving Fund program, under which the Authority purchases the sewerage revenue bonds of local governmental entities satisfying certain legal and other requirements with funds on deposit in the West Virginia Water Pollution Control Revolving Fund established under the provisions of Chapter 20, Article 5I of the Code of West Virginia, 1931, as amended.

"Project" means the acquisition of a high velocity combination sewer cleaner and internal sewer inspection equipment and acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting generally of improvements to treatment facility and installation of collection lines within the City of Wellsburg and all appurtenant facilities.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; provided, that investments by such fund on behalf of the Issuer shall be restricted to Qualified Investments other than that described in this paragraph (h); and

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

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 4.01 hereof.

"Revenue" or "System Revenue Fund" means the Revenue or System Revenue Fund established under the 1977 Ordinance and continued in Section 4.01 hereof.

"Sanitary Board" means Combined Waterworks and Sewage System Board of the Issuer.

"Series 1977 Bonds" means the $800,000 Sewerage System Revenue Bonds issued pursuant to the 1977 Ordinance.

"Series 1993 Bond or Bonds" means the $1,106,428 in aggregate principal amount of Sewer Revenue Bonds, Series 1993 of the Issuer.

"Series 1993 Bond Reserve Account" means the Series 1993 Bond Reserve Account established in the Series 1993 Bond Sinking Fund pursuant to Section 4.02 hereof.

"Series 1993 Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1993 Bond in the then current or any succeeding year.

"Series 1993 Bond Sinking Fund" means the Series 1993 Bond Sinking Fund established by Section 4.02 hereof.

"Small Cities Block Grant" means such grant pursuant to the commitment therefor.

"State" means the State of West Virginia.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

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

"Surplus Fund" shall mean the Surplus Fund established under the 1977 Ordinance and continued in Section 4.01 hereof.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, or any other obligations of the Issuer, including the Renewal and Replacement Fund, the Reserve Account established under the 1977 Ordinance and the Series 1993 Bond Reserve Account, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and

corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of $1,735,823.62 in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of funding a reserve account for the Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Original Bond and related costs, or any of such purposes, as determined by a Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of $1,106,428. Said Bonds shall be issued in one series, to be designated, "Sewer Revenue Bonds, Series 1993" in the aggregate principal amount of $1,106,428, shall have such terms as set forth hereinafter or in any Supplemental Resolution. The proceeds of the Bonds remaining after funding of the Series 1993 Bond Reserve Account (if funded from Bond proceeds) shall, subject to Section 5.02 hereof, be deposited in or credited to the Construction Fund established by Section 4.01 hereof.

Section 3.02. Terms of Bond. The Bond shall be a single registered bond numbered R-1. The Bond shall not bear interest during the construction of the Project but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The Bond shall bear interest at such rate or rates, not exceeding 3% per annum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bond shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bond shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

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

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations and at such interest rates and shall be payable as determined by a Supplemental Resolution.

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

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

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

So long as any of the Bonds remain outstanding, the Bond Registrar shall keep and maintain books for the registration and transfer of the Bonds.

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

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any

proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bond not to be Indebtedness of the Issuer. The Bond shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1993 Bond Reserve Account. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1993 Bond shall be secured by a lien on the Net Revenues derived from the System on a parity with that of the Series 1977 Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bond and to make the payments into the Series 1993 Bond Sinking Fund, the Series 1993 Bond Reserve Account therein and the Renewal and Replacement Fund, hereinafter established, and into the funds and accounts established in connection with the Series 1977 Bonds, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 3.09. Parity with Series 1977 Bonds. The lien on the revenues of the System and the pledge of such revenues provided and stated in Section 3.08 above in favor of the Series 1993 Bond are on a parity with the lien thereon and pledge thereof in favor of the Series 1977 Bonds.

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

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WELLSBURG
SEWER REVENUE BOND, SERIES 1993

No. R-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF WELLSBURG, WEST VIRGINIA, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ _____ ($_____), or such lesser amount as set forth in the Record of Advances, in installments on _____, _____, _____ and _____ of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of _____ percent (___%) per annum.

The interest rate on each installment shall run from the date set forth on Exhibit A hereto and payment therefor, and until payment of such installment, and such interest shall be payable on _____, _____, _____ and _____ in each year, beginning _____, 199___. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the "Registrar" on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement among the Issuer, the Authority and the West Virginia Division of Environmental Protection.

This Bond is issued (i) to pay a portion of the costs of acquisition of certain equipment and acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer and any Supplemental Resolution duly adopted by the Issuer (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System and from moneys in the Series 1993 Bond Reserve Account created under the Bond Legislation for the Bond (the "Series 1993 Bond Reserve Account").

Such Net Revenues shall be sufficient to pay the principal of and interest on the Bond to be issued pursuant to the Act, which shall be set aside as a special fund hereby pledged for such purpose, as well as the principal of and interest on the 1977 Series Bonds. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues and the moneys in the Series 1993 Bond Reserve Account. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bond, the Series 1977 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bond, provided however, that so long as there exists in the Series 1993 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bond, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

THIS BOND IS ON A PARITY AS TO LIEN AND SOURCE OF PAYMENT WITH THOSE CERTAIN SEWERAGE SYSTEM REVENUE BONDS, SERIES 1977 OF THE ISSUER, DATED DECEMBER, 1977, IN THE ORIGINAL PRINCIPAL AMOUNT OF $800,000.

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 the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the CITY OF WELLSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 1993.

CITY OF WELLSBURG, WEST VIRGINIA

[CITY SEAL]

By: _____
Mayor

ATTEST:

Kathleen Trawbert
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1993 Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

_____
As Registrar

By_____
Its Authorized Officer

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	

TOTAL $_____

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 19__.

_____
(Assignor)

Witness in the presence of:

_____

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

Section 3.11. Sale of Original Bond; Ratification of Execution of Loan Agreement with Authority; Incorporation of Terms. The Original Bond shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in substantially the form attached hereto as "Exhibit A" and made a part hereof, with such changes, insertions and omissions as may be approved by the Mayor, the execution of which shall be conclusive evidence of such approval, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to DEP and the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, as the same may be amended and/or supplemented, and the terms and provisions thereof are herein incorporated by reference thereto.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and/or continued with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund or System Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund;

(4) Construction Fund;

(5) Surplus Fund; and

(6) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with the Commission:

(1) Series 1993 Bond Sinking Fund;

(a) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Reserve Account.

Section 4.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the System Revenue Fund established in the 1977 Ordinance. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) So long as any of the Series 1977 Bonds remain outstanding and unpaid or until provision for payment of the Series 1977 Bonds and the interest thereon and any applicable redemption premiums has been made in full by deposit of the necessary funds with the Commission or Depository Bank, as the case may be, the Issuer shall remit to (i) the Commission or (ii) the holder thereof for any bond

owned by the United States of America or any agency or department thereof directly to the United States of America or said agency or department, the sums required to provide for payment of principal of and interest on the Series 1977 Bonds in the manner provided in the 1977 Ordinance.

(3) The Issuer shall, simultaneously with the disbursement made under (2) above, beginning on the date set forth in Schedule X to the Loan Agreement in order to provide debt service on the Bonds, shall deposit in the Series 1993 Sinking Fund one-third (1/3) of the interest payment next coming due on the Bonds and one-third (1/3) of the principal payment next coming due on the Bonds beginning three (3) months prior to the first date of payment of principal of the Bonds. The Issuer shall submit payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. The Issuer shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

(4) The Issuer shall next, on a pro rata basis, on the first day of each month, with respect to the Series 1977 Bonds, and on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1993 Bond, if not fully funded upon issuance of the Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Reserve Account established under the 1977 Ordinance the amounts required for deposit thereunder, and into the Series 1993 Bond Reserve Account, an amount equal to 1/120 of the Series 1993 Bond Reserve Requirement; provided, that no further payments shall be made into the Series 1993 Bond 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 1993 Bond Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on a pro rata basis on the first day of each month, transfer to the Renewal and Replacement Fund, the amount required under the 1977 Ordinance and 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 VII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1993 Bond Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof,] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

With respect to the payments made by the Issuer under Section 4.03 (1) through (5) above which relate to the Bonds, the Issuer shall complete the Monthly Payment Form described in the Loan Agreement and submit a copy of said form and the check or checks representing such payments to the Authority by the 5th day of such calendar month.

Moneys in the Series 1993 Bond Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, as the same shall become

due. Moneys in the Series 1993 Bond Reserve Account shall be used only for the purpose of paying principal of and interest on the Bond, as the same shall come due, when other moneys in the attendant Series 1993 Bond Sinking Fund are insufficient therefor, and for no other purpose.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 1993 Bond Sinking Fund and Series 1993 Bond Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Except with respect to transfers to the Rebate Fund permitted hereunder, any withdrawals from the Series 1993 Bond Reserve Account which result in a reduction in the balance of the Series 1993 Bond Reserve Account to below the Series 1993 Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full, to the Series 1993 Bond Sinking Fund for payment of debt service on the Series 1993 Bond.

As and when additional Bonds ranking on a parity with the Bond are issued, provision shall be made for additional payments into the respective Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum provided and required to be paid into the concomitant Sinking Fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1993 Bond Sinking Fund or into the Series 1993 Bond Reserve Account therein when the aggregate amount of funds in said Series 1993 Bond Sinking Fund and Series 1993 Bond Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1993 Bond Sinking Fund created hereunder, and all amounts required for said Series 1993 Bond Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1993 Bond Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Series 1993 Bond Reserve Account shall be invested and reinvested by the Commission in accordance with Section 7.01 hereof.

The Series 1993 Bond Sinking Fund, including the Series 1993 Bond Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided,

are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Fund and Reserve Account established with respect to the Series 1977 Bonds and the Series 1993 Bond Sinking Fund, including the Series 1993 Bond Reserve Account therein and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. So long as any of the Series 1977 Bonds are outstanding, such Surplus Revenues shall be deposited in the Surplus Fund established under the 1977 Ordinance and used as set forth therein, and thereafter, such Surplus Revenues shall be used to redeem the Bonds or for any lawful purposes of the Issuer.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Commission's fees, the Depository Bank's charges and the Paying Agent fees then due.

D. WesBanco, Wellsburg Branch, is hereby designated the Depository Bank. The Issuer appoints One Valley Bank, National Association, as Registrar for the Bonds and the Commission is hereby designated as Paying Agent for the Bonds.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

I. All Tap Fees shall be deposited by the Issuer, as received, in the Construction Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE V

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 5.01. Pledge of Unexpended Bond Proceeds. From the moneys received from time to time from the sale of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1993 Bond, there shall be deposited with the Commission in the Series 1993 Bond Reserve Account such sum, if any, set forth in a Supplemental Resolution for funding of the Series 1993 Bond Reserve Account.

B. Next, from the proceeds of the Series 1993 Bond, and subject to Section 5.02 below, there shall first be credited to the Construction Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Construction Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 5.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Construction Fund and shall comply with all requirements with respect to the disposition of the Construction Fund set forth in the Bond Legislation. Moneys in the Construction Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1993 Bond.

Section 5.01A. Deposits to Construction Fund. Disbursements to the Issuer shall only be made after submission to the DEP of a Payment Requisition Form, as described in the Loan Agreement, signed by an Authorized Officer and the Consulting Engineers. Such disbursements shall be deposited directly into the Construction Fund. The Issuer shall, simultaneously with the submission to the DEP of the Payment Requisition Form, submit a copy of such Payment Requisition Form to the Depository Bank.

Section 5.02. Disbursements From the Construction Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 5.01 hereof, disbursements from the Construction Fund (except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a copy of the Payment Requisition Form as provided in 5.01A hereof.

The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Until disbursed by the Issuer, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Construction Fund, if any, to the Series 1993 Bond Reserve Account, and if the Series 1993 Bond Reserve Account is fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bond. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter

provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Section 6.02. Bonds Not to be Indebtedness of the Issuer. The Bonds shall 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 funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1993 Bond issued hereunder shall be secured forthwith by a lien on the Net Revenues derived from the operation of the System on a parity with that in favor of holders of the Series 1977 Bonds.

The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and the Series 1977 Bonds and to make the payments into the Series 1993 Bond Sinking Fund, including the Series 1993 Bond Reserve Account therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the Series 1977 Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 6.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the existing rate ordinance of the Issuer.

Section 6.05. Sale of the System. Except as otherwise required by state law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Outstanding Bonds or to effectively defease the Series 1977 Bonds and this Bond Legislation in accordance with Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Outstanding Bonds, immediately be remitted to the Commission for deposit in the Series 1977 Bond Sinking Fund and the Series 1993 Bond Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Outstanding Bonds. Any balance remaining after the payment of all the Outstanding Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000,

the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority and DEP, be remitted by the Issuer to the Commission for deposit in the Series 1993 Bond Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Series 1993 Bond Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then outstanding without the prior approval and consent in writing of DEP and the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by DEP and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 6.06 and in Section 6.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1993 Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1993 Bond Reserve Account and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 6.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bond issued pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1993 Bond, and, so long as any of the Series 1977 Bonds are outstanding, on a parity therewith.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1993 Bond on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1993 Bond.

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

B. Notwithstanding the foregoing, or any provision of Section 6.06 to the contrary, Additional Bonds may be issued solely for the purpose of completing the Project as described in the application to DEP or the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 6.07.

C. Notwithstanding the foregoing, in no event shall the Issuer be permitted to issue such Additional Bonds unless there is first obtained by the Issuer the written consent of DEP and the Authority to the issuance of bonds on a parity with the Bonds.

Section 6.08. 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 DEP and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

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

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond

Legislation with respect to said Bonds and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to DEP and the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that Local Government Revenues are adequate to meet operation/maintenance expenses and debt service requirements.

The Issuer shall also, during construction of the Project and for two years following the completion of the Project, complete a Monthly Financial Report, as described in the Loan Agreement, and forward a copy by the 10th of each month to the Authority.

Section 6.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder and under the 1977 Ordinance. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System; (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; and (iii) otherwise comply with the rate covenant set forth in the 1977 Ordinance so long as any Series 1977 Bonds remain outstanding; provided that, in the event that amounts equal to or in excess of the Series 1993 Bond Reserve Requirement are on deposit respectively in the Series 1993 Bond Reserve Account and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 6.04.

Section 6.10. Operating Budget and Audit. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated reserves and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of

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

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 6.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid, to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 6.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class: and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances

shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

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

Section 6.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction, provided that Issuer gives no assurance of compliance with these requirements for parties outside the limits of the Issuer.

Section 6.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bond are used for private business use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bond during the term thereof is, under the terms of the Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bond 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 Bond during the term thereof is, under the terms of the Bond 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 Bond used for

a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

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

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

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 6.18. Additional Requirements. The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Issuer agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of the Loan Agreement. The Issuer shall notify DEP in writing of the certified operator employed at the 25% completion stage.

ARTICLE VII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 7.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and re-invested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or

national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are outstanding.

Section 7.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bond in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bond, so that the Bond will not constitute "Arbitrage Bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal Information Return with respect to the Bond) so that the interest on the 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 7.03. Tax Certificate and Rebate. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity, and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions:

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

(ii) 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, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder, and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code or 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 Bonds from gross income for federal income tax purposes; and

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

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

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

(3) If a Event of Default occurs under the 1977 Ordinance; or

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

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of Outstanding Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto including the 1977 Ordinance, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Outstanding Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Outstanding Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Outstanding Bonds Legislation with respect to the Outstanding Bonds, or the rights of such Registered Owners.

Section 8.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bond any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bond and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance of Series 1993 Bond. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 1993 Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1993 Bond only the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1993 Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1993 Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1993 Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All the Series 1993 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1993 Bond on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1993 Bond provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities

maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bond on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66.2/3% or more in principal amount of the Series 1993 Bond so affected and then Outstanding and DEP and the Authority; provided, that no change shall be made in the maturity of any Bond or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Bonds from gross income of the holders thereof.

Section 10.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Bond.

Section 10.04. Headings, Etc. The headings and captions of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 10.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 10.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Wellsburg, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the City Council upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading – August 10, 1993

Passed on Second Reading – August 25, 1993

Enacted on Final Reading
Following Public Hearing – September 14, 1993

CITY OF WELLSBURG, WEST VIRGINIA

By Ernest Jack
Mayor

[CITY SEAL]

ATTEST:

Kathleen Traubert
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF WELLSBURG, WEST VIRGINIA on September 14, 1993.

Dated: September 14, 1993.

[SEAL]

Kathleen Trawbert
City Clerk

SUPPLEMENTAL ORDINANCE

WHEREAS, on September 14, 1993, The City of Wellsburg, West Virginia (the "Issuer"), adopted an Ordinance entitled "ORDINANCE AUTHORIZING THE ACQUISITION OF CERTAIN EQUIPMENT AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF WELLSBURG, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF UP TO $1,106,428 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; PLEDGING NET REVENUES AS SECURITY FOR BONDS; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO" (the "Original Ordinance");

WHEREAS, the Issuer has been advised and has determined to increase the amount of the bond issue to be sold to the West Virginia Water Development Authority and to use the additional proceeds to fund the Series 1993 Bond Reserve Account established under the Original Ordinance in full at the Closing Date; and

WHEREAS, the Issuer has determined to take certain action relating thereto.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the City Council of the City of Wellsburg as follows:

Section 1. The Issuer hereby authorizes the issuance of not to exceed $1,300,000 City of Wellsburg, West Virginia, Sewer Revenue Bonds, Series 1993, and does further declare that all references in the Original Ordinance to the amount of $1,106,428 are hereby amended and restated to reflect the amount not to exceed $1,300,000.

Section 2. It is excepted that the exact amount of the bond issue will be $1,185,374.

Section 3. Except as amended hereby, the Original Ordinance shall remain in full force and effect.

Section 4. This Supplemental Ordinance shall take effect immediately following a public hearing hereon.

Passed on First Reading - October 12, 1993
Passed on Second Reading - October 19, 1993
Enacted Following Public Hearing - November 2, 1993

WITNESS the signatures and seal of the City of Wellsburg, West Virginia, a municipal corporation, read and approved on first and second reading and considered at a public hearing by the Wellsburg City Council held in Wellsburg, West Virginia, on the 2nd day of November, 1993.

CITY OF WELLSBURG, WEST VIRGINIA

(SEAL)

Ernest Jack Mayor
Mayor

ATTEST:

Karen Sue Simonetta
Acting City Clerk

First Reading October 12, 1993

Second Reading October 19, 1993

CERTIFICATE

I, the undersigned Acting City Clerk of the City of Wellsburg, West Virginia, hereby certify that the foregoing is a true, correct and complete copy of the text of the Supplemental Ordinance passed on first and second readings by the City Council of the City of Wellsburg, at meetings held on October 12 and October 19, 1993, respectively, at which quorums were present and acting throughout, and considered at a public hearing held on November 2, 1993, after the giving of the required public notice, and which Supplemental Ordinance has not been amended, modified, rescinded, repealed, superseded, annulled, revoked or otherwise altered as of the date hereof.

Dated this 2nd day of November, 1993.

Karen Sue Simonetti
Acting City Clerk

[SEAL]

ref.supplem.ord

SUPPLEMENTAL RESOLUTION

WHEREAS on September 14, 1993, The City of Wellsburg, West Virginia (the "Issuer"), adopted an Ordinance entitled "ORDINANCE AUTHORIZING THE ACQUISITION OF CERTAIN EQUIPMENT AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF WELLSBURG, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF UP TO $1,106,428 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1993 (the "1993 Sewer Bonds"); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; PLEDGING NET REVENUES AS SECURITY FOR BONDS; AND AUTHORIZING THE SALE AND PROVIDING FOR TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO" (the "Original Ordinance");

WHEREAS on October 19, 1993, the Issuer adopted a Supplemental Ordinance authorizing the issuance of not to exceed $1,300,000 of 1993 Sewer Bonds with the expectation that the exact amount of the 1993 Sewer Bonds would be $1,185,374 (the "Supplemental Ordinance");

WHEREAS the Issuer previously issued its $785,000 City of Wellsburg (Brooke County, West Virginia) Waterworks Revenue Bonds, Series A (the "1962 Water Bonds") by Ordinance adopted June 12, 1962 (the "1962 Ordinance"), which bonds are presently outstanding in the amount of $145,000;

WHEREAS, on August 11, 1981, the City of Wellsburg combined its water distribution system and sewage system into a single facility known as the "Combined Waterworks and Sewage System of

Wellsburg" pursuant to §8-20-18 of the Code of West Virginia of 1931, as amended (the "Code");

WHEREAS the Original Ordinance provided for the issuance of bonds under the statutory authority of Chapter 16, Article 13 of the Code;

WHEREAS the Original Ordinance designated One Valley Bank, National Association, to serve as Bond Registrar; and

WHEREAS it has become necessary to issue this Resolution to modify, correct and supplement certain provisions contained in the Original Ordinance.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the City Council of the City of Wellsburg as follows:

Section 1. Simultaneously with the issuance of the 1993 Sewer Bonds, $ 38,566.03 shall be deposited by the Issuer with the West Virginia Municipal Bond Commission so the outstanding Water Bonds can be defeased on or about November 19, 1993, and paid in full at their next interest payment date. Sufficient amounts are presently on deposit with the Municipal Bond Commission, together with the money to be deposited by the Issuer, to pay the 1962 Water Bonds in full as provided above. Upon such deposit, the 1962 Water Bonds will be defeased and the lien of the 1962 Ordinance will cease.

Section 2. United National Bank is hereby designated as the Bond Registrar to serve in lieu of One Valley Bank, National Association.

Section 3. The statutory authority under which the $1,185,374 City of Wellsburg, West Virginia, Combined Waterworks and Sewage

System Revenue Bonds are to be issued shall be Chapter 8, Article 20 of the Code.

Section 4. The definition of "System" shall be amended to read as follows: "System" means all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties, or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after completion of the Project.

Section 5. The Issuer is granting a parity first lien on the net revenues of the combined waterworks and sewerage system.

WITNESS the signatures and seal of the City of Wellsburg, West Virginia, a municipal corporation, approved at a Special Meeting of the Wellsburg City Council held in Wellsburg, West Virginia, on the 17th day of November, 1993.

CITY OF WELLSBURG, WEST VIRGINIA

(SEAL)

By: Ernest Jack
Mayor

ATTEST:

By: Kathleen Traubert
City Clerk

CITY OF WELLSBURG

CITY HALL
WELLSBURG, WV 26070
(304) 737-2104

CERTIFICATE

The undersigned City Clerk of the City of Wellsburg, West Virginia, a municipal corporation, DOES HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the Supplemental Resolution approved by the City Council of the City of Wellsburg on November 17, 1993, and that I have compared said Supplemental Resolution with the original thereof and that it is a correct copy of the whole of said Supplemental Resolution, and that said Supplemental Rsolution, has not been further altered, amended or repealed and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said City of Wellsburg this 19th day of November, 1993.

Kathleen Traubert

City Clerk

Attached hereto is the Conformed Ordinance of the City of Wellsburg, West Virginia, Authorizing the Issuance of $740,000 of the City's Combined Waterworks and Sewage System Revenue Refunding Bonds, Series 1993, and Providing for the Form, Details and Payment Thereof. This Conformed Ordinance represents the Ordinance approved by the City Council of the City of Wellsburg (the "City Council") on October 19, 1993, as supplemented by a Supplemental Resolution approved by the City Council on November 17, 1993. The Conformed Ordinance does not represent the actual Ordinance or Supplemental Resolution adopted by the City Council. Rather, it represents a compilation of the Ordinance and Supplemental Resolution and has been prepared for posterity purposes and for convenience in reviewing the actions undertaken by the City Council. The portions of the Ordinance which were modified by the Supplemental Resolution have been marked to show the changes made.

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CITY OF WELLSBURG, WEST VIRGINIA

CONFORMED ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION OF CERTAIN EQUIPMENT AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF WELLSBURG, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF $1,185,374 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE BOND, SERIES 1993; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; PLEDGING NET REVENUES AS SECURITY FOR BONDS; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer and surrounding areas that there be constructed certain additions, betterments and improvements for the existing combined waterworks and sewerage facilities of the Issuer, consisting of acquisition of a high velocity combination sewer cleaner and internal sewer inspection equipment and acquisition and construction of new and replacement lines within the city, together with all appurtenant facilities (the "Project") which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing sewerage facilities of the Issuer, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $1,814,769.62, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all sinking funds, reserve accounts and other payments provided for herein and all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewage System Revenue Bond in the total aggregate principal amount of $1,185,374 (the "Original Bond") to finance the cost of the construction and improvement to the System in the manner hereinafter provided.

E. The estimated maximum cost of construction and acquisition of the Project is $1,814,769.62, of which $1,185,374 will be obtained from the sale of the Bonds, $624,362 from a Small Cities Block Grant hereinafter defined, and a $5,033.62 contribution from the Issuer. The cost of such acquisition and construction shall be deemed to include but not limited to the cost of all property rights, easements and franchises deemed necessary or convenient therefor; amounts which may be deposited in the Series 1993 Bond Reserve Account; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of DEP (hereinafter defined) or the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

G. The Issuer has completed and filed with the Authority and the West Virginia Division of Environmental Protection ("DEP") an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), and upon review thereof, the Authority and DEP have indicated their willingness to lend the Issuer $1,185,374 through the purchase of revenue bonds of the Issuer with moneys held in the Fund, hereinafter defined, subject to the Issuer's satisfaction of certain legal and other requirements of the Program, hereinafter defined.

H. It is in the best interests of the Issuer that its Original Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer, DEP and the Authority, in form satisfactory to the Issuer, DEP and the Authority or, as shall be approved by a Supplemental Resolution (hereinafter defined).

I. There is a prior obligation of the Issuer being the Combined Waterworks and Sewage System Revenue Bonds, Series 1977 dated March 21, 1978, issued pursuant to an Ordinance of the Issuer (the "1977 Ordinance") in the original aggregate principal amount of $800,000 (the "Series 1977 Bonds"). The Bonds hereby authorized will be on a parity with the Series 1977 Bonds as to lien and source of payment.

J. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or such final order will not be subject to appeal.

K. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and System, and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under

Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year in which the Original Bonds are to be issued.

L. Pursuant to the Local Act, the Issuer has heretofore established a Combined Waterworks and Sewage System Board (the "Board").

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

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

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

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

"Bond Registrar" means the bank or other entity designated herein or in any Supplemental Resolution and its successors and assigns.

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

"Bonds" mean the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Authority.

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

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

"Construction Fund" means the Construction Fund established by Section 4.01 hereof.

"Consulting Engineers" means Gills, Guard and Johnson, Inc., Willoughby, Ohio, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

"DEP" means the West Virginia Division of Environmental Protection or any other agency of the State of West Virginia that succeeds to the functions of DEP.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means the bank designated as such in the Ordinance or in the Supplemental Resolution or letter, and its successors and assigns.

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

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

"Fund" means the West Virginia State Revolving Fund created pursuant to Chapter 20, Article 5I, Section 1, et seq., of the Code of West Virginia of 1931, as amended.

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

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

"Grant Agreement" means a written commitment for the payment of the Small Cities Block Grant, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Grant Receipts" means all moneys received by the Issuer on account of the Small Cities Block Grant.

"Grants" means, collectively, the Small Cities Block Grant and any Other Grants.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital

assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 7.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Issuer" means the City of Wellsburg, in Brooke County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean the Loan Agreement to be entered into among the Authority, DEP and the Issuer providing for the purchase of the Original Bond from the Issuer by the Authority, the forms of which may be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1993 Bond, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1993 Bond Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1993 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operation and Maintenance Fund" means the Operation and Maintenance Fund established by Section 4.01 hereof.

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

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $1,185,374 in aggregate principal amount of Series 1993 Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Other Grants" means any grant other than the Small Cities Block Grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered including the outstanding Series 1977 Bonds except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or any Bonds registered to the Issuer.

"1977 Ordinance" means the Ordinance created by the Issuer authorizing the Series 1977 Bonds.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitation prescribed by Section 6.07 hereof.

"Paying Agent" means the West Virginia Municipal Bond Commission, its successors and assigns.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Program" means the State DEP Revolving Fund program, under which the Authority purchases the sewerage revenue bonds of local governmental entities satisfying certain legal and other requirements with funds on deposit in the West Virginia Water Pollution Control Revolving Fund established under the provisions of Chapter 20, Article 5I of the Code of West Virginia, 1931, as amended.

"Project" means the acquisition of a high velocity combination sewer cleaner and internal sewer inspection equipment and acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting generally of improvements to treatment facility and installation of collection lines within the City of Wellsburg and all appurtenant facilities.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; provided, that investments by such fund on behalf of the Issuer shall be restricted to Qualified Investments other than that described in this paragraph (h); and

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

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 4.01 hereof.

"Revenue" or "System Revenue Fund" means the Revenue or System Revenue Fund established under the 1977 Ordinance and continued in Section 4.01 hereof.

"Sanitary Board" means Combined Waterworks and Sewage System Board of the Issuer.

"Series 1977 Bonds" means the $800,000 Sewerage System Revenue Bonds issued pursuant to the 1977 Ordinance.

"Series 1993 Bond or Bonds" means the $1,185,374 in aggregate principal amount of Combined Waterworks and Sewage System Revenue Bond, Series 1993 of the Issuer.

"Series 1993 Bond Reserve Account" means the Series 1993 Bond Reserve Account established in the Series 1993 Bond Sinking Fund pursuant to Section 4.02 hereof.

"Series 1993 Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1993 Bond in the then current or any succeeding year.

"Series 1993 Bond Sinking Fund" means the Series 1993 Bond Sinking Fund established by Section 4.02 hereof.

"Small Cities Block Grant" means such grant pursuant to the commitment therefor.

"State" means the State of West Virginia.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

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

"Surplus Fund" shall mean the Surplus Fund established under the 1977 Ordinance and continued in Section 4.01 hereof.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, or any other obligations of the Issuer, including the Renewal and Replacement Fund, the Reserve Account established under the 1977 Ordinance and the Series 1993 Bond Reserve Account, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means all facilities and other property of every nature, real and personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties, or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after completion of the Project.

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

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

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of $1,814,769.62 in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof. The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of funding a reserve account for the Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Original Bond and related costs, or any of such purposes, as determined by a Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of $1,185,374. Said Bonds shall be issued in one series, to be designated, "Combined Waterworks and Sewage System Revenue Bond, Series 1993" in the aggregate principal amount of $1,185,374, shall have such terms as set forth hereinafter or in any Supplemental Resolution. The proceeds of the Bonds remaining after funding of the Series 1993 Bond Reserve Account (if funded from Bond proceeds) shall, subject to Section 5.02 hereof, be deposited in or credited to the Construction Fund established by Section 4.01 hereof.

Section 3.02. Terms of Bond. The Bond shall be a single registered bond numbered R-1. The Bond shall not bear interest during the construction of the Project but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The Bond shall bear interest at such rate or rates, not exceeding 3% per annum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bond shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bond shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Original Bond shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series Outstanding and being exchanged, with principal installments or maturities, as

applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations and at such interest rates and shall be payable as determined by a Supplemental Resolution.

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

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

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

So long as any of the Bonds remain outstanding, the Bond Registrar shall keep and maintain books for the registration and transfer of the Bonds.

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

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

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

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

Section 3.07. Bond not to be Indebtedness of the Issuer. The Bond shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1993 Bond Reserve Account. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1993 Bond shall be secured by a lien on the Net Revenues derived from the System on a parity with that of the Series 1977 Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bond and to make the payments into the Series 1993 Bond Sinking Fund, the Series 1993 Bond Reserve Account therein and the Renewal and Replacement Fund, hereinafter established, and into the funds and accounts established in connection with the Series 1977 Bonds, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 3.09. Parity with Series 1977 Bonds. The lien on the revenues of the System and the pledge of such revenues provided and stated in Section 3.08 above in favor of the Series 1993 Bond are on a parity with the lien thereon and pledge thereof in favor of the Series 1977 Bonds.

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

New

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF WELLSBURG
COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE BOND,
SERIES 1993

SPECIMEN

No. R-1 $1,185,374

Date: November 19, 1993

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF WELLSBURG, WEST VIRGINIA, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of One Million One Hundred Eighty-five Thousand Three Hundred Seventy-four and 00/100 Dollars ($1,185,374.00), or such lesser amount as set forth on the Record of Advances attached as Schedule Y hereto and incorporated herein by reference, plus interest on the unpaid principal balance hereof at the rate set out below. Interest on this Bond is set at zero percent (0%) per annum during construction of the Project, as hereinafter defined, and until November 30, 1994; thereafter interest shall be paid on the unpaid principal balance at the rate of three percent (3%) per annum. Principal and interest on the Bond is payable in quarterly installments commencing March 1, 1995, and thereafter in quarterly installments on each March 1, June 1, September 1 and December 1, as set forth on the "Schedule of Annual Debt Service" attached as Schedule X hereto and incorporated herein by reference. The final installment of principal and interest shall be paid at the end of twenty (20) years from the date of this Bond and shall be in an amount equal to the amount of outstanding principal and interest due on the Bond at said date. Notwithstanding any provision of this Bond to the contrary, this Bond shall evidence only the indebtedness reflected as outstanding on the Record of Advances attached hereto. Interest shall accrue only on the amount of each advance from its actual date as listed on said Record of Advances and on the Record of Payments attached as Schedule Z hereto and incorporated herein by reference, and shall cease to accrue on the amount outstanding, or portions thereof, as the same is paid, as reflected by said Record of Advances and Record of Payments.

SPECIMEN

Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). Principal and interest on this Bond are payable by check or draft of the Paying Agent mailed to the registered owner hereof

SPECIMEN

New

at the address as it appears on the books of United National Bank, Charleston, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole at par, but only upon thirty (30) days prior written notice to the Authority and the West Virginia Division of Environmental Protection ("DEP") and upon the terms and conditions prescribed by and otherwise in compliance with the Loan Agreement by and among the Issuer, the Authority and DEP.

This Bond is issued (i) to pay a portion of the costs of construction of certain extensions, additions, betterments and improvements to the existing public waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to prefund a reserve account; and (iii) to pay certain costs of issuance hereof and related costs. The existing waterworks and sewerage system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto is herein called the "System". This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act") and an Ordinance duly adopted and enacted by the Issuer and effective September 14, 1993, a Supplemental Ordinance duly adopted and enacted by the Issuer and effective October 19, 1993, and a Supplemental Resolution approved by the Issuer on November 17, 1993 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. 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 Bond under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, from moneys in the Reserve Account created under the Ordinance for the Bond (the "Series 1993 Bond Reserve Account") and unexpended proceeds of the Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1993 Bond Reserve Account and unexpended proceeds of the Bond. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just

New

and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount payable in any year for principal of and interest on the Bond, the Refunding Bonds, as hereinafter defined, and all other obligations secured by a lien on or payable from such net revenues prior to or on a parity with the Bond, provided however, that so long as there exists in the Series 1993 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bond in the then current or any succeeding year and in the reserve account established for any other obligations outstanding prior to or on a parity with the Bond, an amount at least equal to the requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the registered owners of the Bond for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bond are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

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

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

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

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THOSE CERTAIN COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 1993, OF THE ISSUER DATED NOVEMBER 19, 1993, IN THE ORIGINAL PRINCIPAL AMOUNT OF $740,000.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed

New

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 the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF WELLSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk and has caused this Bond to be dated November 19, 1993.

THE CITY OF WELLSBURG,
WEST VIRGINIA

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

_____
City Clerk

SPECIMEN

New

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 1993 Bond described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November ___, 1993

UNITED NATIONAL BANK

By: _____
Vice President

New

SCHEDULE X

CITY OF WELLSBURG

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
12/01/1994	-	-	-	-
3/01/1995	10,868.00	3.00000%	8,890.31	19,758.31
6/01/1995	10,949.00	3.00000%	8,808.80	19,757.80
9/01/1995	11,031.00	3.00000%	8,726.68	19,757.68
12/01/1995	11,114.00	3.00000%	8,643.95	19,757.95
3/01/1996	11,198.00	3.00000%	8,560.59	19,758.59
6/01/1996	11,281.00	3.00000%	8,476.61	19,757.61
9/01/1996	11,366.00	3.00000%	8,392.00	19,758.00
12/01/1996	11,451.00	3.00000%	8,306.75	19,757.75
3/01/1997	11,537.00	3.00000%	8,220.87	19,757.87
6/01/1997	11,624.00	3.00000%	8,134.34	19,758.34
9/01/1997	11,711.00	3.00000%	8,047.16	19,758.16
12/01/1997	11,799.00	3.00000%	7,959.33	19,758.33
3/01/1998	11,887.00	3.00000%	7,870.84	19,757.84
6/01/1998	11,976.00	3.00000%	7,781.69	19,757.69
9/01/1998	12,066.00	3.00000%	7,691.87	19,757.87
12/01/1998	12,157.00	3.00000%	7,601.37	19,758.37
3/01/1999	12,248.00	3.00000%	7,510.19	19,758.19
6/01/1999	12,340.00	3.00000%	7,418.33	19,758.33
9/01/1999	12,432.00	3.00000%	7,325.78	19,757.78
12/01/1999	12,526.00	3.00000%	7,232.54	19,758.54
3/01/2000	12,620.00	3.00000%	7,138.60	19,758.60
6/01/2000	12,714.00	3.00000%	7,043.95	19,757.95
9/01/2000	12,810.00	3.00000%	6,948.59	19,758.59
12/01/2000	12,906.00	3.00000%	6,852.52	19,758.52
3/01/2001	13,002.00	3.00000%	6,755.72	19,757.72
6/01/2001	13,100.00	3.00000%	6,658.21	19,758.21
9/01/2001	13,198.00	3.00000%	6,559.96	19,757.96
12/01/2001	13,297.00	3.00000%	6,460.97	19,757.97
3/01/2002	13,397.00	3.00000%	6,361.25	19,758.25
6/01/2002	13,497.00	3.00000%	6,260.77	19,757.77
9/01/2002	13,599.00	3.00000%	6,159.54	19,758.54
12/01/2002	13,701.00	3.00000%	6,057.55	19,758.55
3/01/2003	13,803.00	3.00000%	5,954.79	19,757.79
6/01/2003	13,907.00	3.00000%	5,851.27	19,758.27
9/01/2003	14,011.00	3.00000%	5,746.97	19,757.97
12/01/2003	14,116.00	3.00000%	5,641.88	19,757.88
3/01/2004	14,222.00	3.00000%	5,536.01	19,758.01
6/01/2004	14,329.00	3.00000%	5,429.35	19,758.35
9/01/2004	14,436.00	3.00000%	5,321.88	19,757.88
12/01/2004	14,544.00	3.00000%	5,213.61	19,757.61
3/01/2005	14,654.00	3.00000%	5,104.53	19,758.53
6/01/2005	14,763.00	3.00000%	4,994.63	19,757.63
9/01/2005	14,874.00	3.00000%	4,883.90	19,757.90
12/01/2005	14,986.00	3.00000%	4,772.35	19,758.35
3/01/2006	15,098.00	3.00000%	4,659.95	19,757.95
6/01/2006	15,211.00	3.00000%	4,546.72	19,757.72
9/01/2006	15,325.00	3.00000%	4,432.64	19,757.64
12/01/2006	15,440.00	3.00000%	4,317.70	19,757.70
3/01/2007	15,556.00	3.00000%	4,201.90	19,757.90
6/01/2007	15,673.00	3.00000%	4,085.23	19,758.23

New

CITY OF WELLSBURG

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2007	15,790.00	3.00000%	3,967.68	19,757.68
12/01/2007	15,909.00	3.00000%	3,849.26	19,758.26
3/01/2008	16,028.00	3.00000%	3,729.94	19,757.94
6/01/2008	16,148.00	3.00000%	3,609.73	19,757.73
9/01/2008	16,269.00	3.00000%	3,488.62	19,757.62
12/01/2008	16,392.00	3.00000%	3,366.60	19,758.60
3/01/2009	16,514.00	3.00000%	3,243.66	19,757.66
6/01/2009	16,638.00	3.00000%	3,119.81	19,757.81
9/01/2009	16,763.00	3.00000%	2,995.02	19,758.02
12/01/2009	16,889.00	3.00000%	2,869.30	19,758.30
3/01/2010	17,015.00	3.00000%	2,742.63	19,757.63
6/01/2010	17,143.00	3.00000%	2,615.02	19,758.02
9/01/2010	17,272.00	3.00000%	2,486.45	19,758.45
12/01/2010	17,401.00	3.00000%	2,356.91	19,757.91
3/01/2011	17,532.00	3.00000%	2,226.40	19,758.40
6/01/2011	17,663.00	3.00000%	2,094.91	19,757.91
9/01/2011	17,796.00	3.00000%	1,962.44	19,758.44
12/01/2011	17,929.00	3.00000%	1,828.97	19,757.97
3/01/2012	18,064.00	3.00000%	1,694.50	19,758.50
6/01/2012	18,199.00	3.00000%	1,559.02	19,758.02
9/01/2012	18,336.00	3.00000%	1,422.53	19,758.53
12/01/2012	18,473.00	3.00000%	1,285.01	19,758.01
3/01/2013	18,612.00	3.00000%	1,146.46	19,758.46
6/01/2013	18,751.00	3.00000%	1,006.87	19,757.87
9/01/2013	18,892.00	3.00000%	866.24	19,758.24
12/01/2013	19,034.00	3.00000%	724.55	19,758.55
3/01/2014	19,176.00	3.00000%	581.79	19,757.79
6/01/2014	19,320.00	3.00000%	437.97	19,757.97
9/01/2014	19,465.00	3.00000%	293.07	19,758.07
12/01/2014	19,611.00	3.00000%	147.08	19,758.08
TOTAL	1,185,374.00	-	395,271.38	1,580,645.38

YIELD STATISTICS

Accrued Interest from 12/01/1994 to 12/01/1994...	-
Average Life.....	11.115 YEARS
Bond Years.....	13,175.71
Average Coupon.....	3.0000000%
Net Interest Cost (NIC).....	3.0000000%
Bond Yield for Arbitrage Purposes.....	3.0112509%
True Interest Cost (TIC).....	3.0112500%
Effective Interest Cost (EIC).....	3.0112509%

New

SCHEDULE Z

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 55,321.00	11/19/93	(6)	$	
(2)	$ 79,030.00	11/19/93	(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

TOTAL $

New

SCHEDULE Z

RECORD OF PAYMENTS

	AMOUNT	DATE		AMOUNT	DATE
(1)	$_____		(6)	$_____	
(2)	$_____		(7)	$_____	
(3)	$_____		(8)	$_____	
(4)	$_____		(9)	$_____	
(5)	$_____		(10)	$_____	

TOTAL $_____

New

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer said Bond on the books kept for registration of the within Bond of said Issuer with full power of substitution in the premises.

Dated: _____, 19__.

_____
(Assignor)

Witnessed in the presence of:

_____

Section 3.11. Sale of Original Bond; Ratification of Execution of Loan Agreement with Authority; Incorporation of Terms. The Original Bond shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in substantially the form attached hereto as "Exhibit A" and made a part hereof, with such changes, insertions and omissions as may be approved by the Mayor, the execution of which shall be conclusive evidence of such approval, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to DEP and the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, as the same may be amended and/or supplemented, and the terms and provisions thereof are herein incorporated by reference thereto.

Section 3.12. "Amended Schedule A" Filing. Within sixty (60) days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds thereof.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and/or continued with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund or System Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund;

(4) Construction Fund;

(5) Surplus Fund; and

(6) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with the Commission:

(1) Series 1993 Bond Sinking Fund;

(a) Within the Series 1993 Bond Sinking Fund, the Series 1993 Bond Reserve Account.

Section 4.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the System Revenue Fund established in the 1977 Ordinance. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) So long as any of the Series 1977 Bonds remain outstanding and unpaid or until provision for payment of the Series 1977 Bonds and the interest thereon and any applicable redemption premiums has been made in full by deposit of the necessary funds with the Commission or Depository Bank, as the case may be, the Issuer shall remit to (i) the Commission or (ii) the holder thereof for any bond owned by the United States of America or any agency or department thereof directly to the United States of America or said agency or department, the sums required to provide for payment of principal of and interest on the Series 1977 Bonds in the manner provided in the 1977 Ordinance.

(3) The Issuer shall, simultaneously with the disbursement made under (2) above, beginning on the date set forth in Schedule X to the Loan Agreement in order to provide debt service on the Bonds, shall deposit in the Series 1993 Sinking Fund one-third (1/3) of the interest payment next coming due on the Bonds and one-third (1/3) of the principal payment next coming due on the Bonds beginning three (3) months prior to the first date of payment of principal of the Bonds. The Issuer shall submit payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. The Issuer shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

(4) The Issuer shall next, on a pro rata basis, on the first day of each month, with respect to the Series 1977 Bonds, and on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1993 Bond, if not fully funded upon issuance of the Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Reserve Account established under the 1977 Ordinance the amounts required for deposit thereunder, and into the Series 1993 Bond Reserve Account, an amount equal to 1/120 of the Series 1993 Bond Reserve Requirement; provided, that no further payments shall be made into the Series 1993 Bond 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 1993 Bond Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on a pro rata basis on the first day of each month, transfer to the Renewal and Replacement Fund, the amount required under the 1977 Ordinance and 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 VII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1993 Bond Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof,] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

With respect to the payments made by the Issuer under Section 4.03 (1) through (5) above which relate to the Bonds, the Issuer shall complete the Monthly Payment Form described in the Loan Agreement and submit a copy of said form and the check or checks representing such payments to the Authority by the 5th day of such calendar month.

Moneys in the Series 1993 Bond Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, as the same shall become due. Moneys in the Series 1993 Bond Reserve Account shall be used only for the purpose of paying principal of and interest on the Bond, as the same shall come due, when other moneys in the attendant Series 1993 Bond Sinking Fund are insufficient therefor, and for no other purpose.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 1993 Bond Sinking Fund and Series 1993 Bond Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Except with respect to transfers to the Rebate Fund permitted hereunder, any withdrawals from the Series 1993 Bond Reserve Account which result in a reduction in the balance of the Series 1993 Bond Reserve Account to below the Series 1993 Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full, to the Series 1993 Bond Sinking Fund for payment of debt service on the Series 1993 Bond.

As and when additional Bonds ranking on a parity with the Bond are issued, provision shall be made for additional payments into the respective Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum provided and required to be paid into the concomitant Sinking Fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1993 Bond Sinking Fund or into the Series 1993 Bond Reserve Account therein when the aggregate amount of funds in said Series 1993 Bond Sinking Fund and Series 1993 Bond Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1993 Bond Sinking Fund created hereunder, and all amounts required for said Series 1993 Bond Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1993 Bond Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Series 1993 Bond Reserve Account shall be invested and reinvested by the Commission in accordance with Section 7.01 hereof.

The Series 1993 Bond Sinking Fund, including the Series 1993 Bond Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Fund and Reserve Account established with respect to the Series 1977 Bonds and the Series 1993 Bond Sinking Fund, including the Series 1993 Bond Reserve Account therein and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. So long as any of the Series 1977 Bonds are outstanding, such Surplus Revenues shall be deposited in the Surplus Fund established under the 1977 Ordinance and used as set forth therein, and thereafter, such Surplus Revenues shall be used to redeem the Bonds or for any lawful purposes of the Issuer.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Commission's fees, the Registrar's fees, the Paying Agent's fees and the Depository Bank's charges then due. The Issuer shall also remit from the Revenue Fund to the Authority, on such dates as the Authority shall require, the Issuer's allocable share of the reasonable administrative expenses, if any, incurred by the Authority with respect to the SRF Program.

D. WesBanco, Wellsburg Branch, is hereby designated the Depository Bank. The Issuer appoints United National Bank as Registrar for the Bonds, and the Commission is hereby designated as Paying Agent for the Bonds.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

I. All Tap Fees shall be deposited by the Issuer, as received, in the Construction Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE V

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 5.01. Pledge of Unexpended Bond Proceeds. From the moneys received from time to time from the sale of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1993 Bond, there shall be deposited with the Commission in the Series 1993 Bond Reserve Account $78,946.00 for funding of the Series 1993 Bond Reserve Account.

B. Next, from the proceeds of the Series 1993 Bond, and subject to Section 5.02 below, there shall first be credited to the Construction Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Construction Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 5.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Construction Fund and shall comply with all requirements with respect to the disposition of the Construction Fund set forth in the Bond Legislation. Moneys in the Construction Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1993 Bond.

Section 5.01A. Deposits to Construction Fund. Disbursements to the Issuer shall only be made after submission to the DEP of a Payment Requisition Form, as described in the Loan Agreement, signed by an Authorized Officer and the Consulting Engineers. Such disbursements shall be deposited directly into the Construction Fund. The Issuer shall, simultaneously with the submission to the DEP of the Payment Requisition Form, submit a copy of such Payment Requisition Form to the Depository Bank.

Section 5.02. Disbursements From the Construction Fund. Payments for Costs of the Project shall be made monthly.

On or before the Closing Date, the Issuer shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Series 1993 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 5.01 hereof, disbursements from the Construction Fund shall be made only after submission to, and approval from, the Authority and DEP of the following:

(1) a completed and signed "Payment Requisition Form," the form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Construction Fund only the net amount remaining after deduction of any such portion. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Except as provided in Section 5.01 hereof, disbursements from the Construction Fund (except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a copy of the Payment Requisition Form as provided in 5.01A hereof.

Until disbursed by the Issuer, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Construction Fund, if any, to the Series 1993 Bond Reserve Account, and if the Series 1993 Bond Reserve Account is fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 6.02. Bonds Not to be Indebtedness of the Issuer. The Bonds shall 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 funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the

exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1993 Bond issued hereunder shall be secured forthwith by a lien on the Net Revenues derived from the operation of the System on a parity with that in favor of holders of the Series 1977 Bonds.

The Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and the Series 1977 Bonds and to make the payments into the Series 1993 Bond Sinking Fund, including the Series 1993 Bond Reserve Account therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the Series 1977 Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 6.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the existing rate ordinance of the Issuer.

Section 6.05. Sale of the System. Except as otherwise required by state law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Outstanding Bonds or to effectively defease the Series 1977 Bonds and this Bond Legislation in accordance with Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Outstanding Bonds, immediately be remitted to the Commission for deposit in the Series 1977 Bond Sinking Fund and the Series 1993 Bond Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Outstanding Bonds. Any balance remaining after the payment of all the Outstanding Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority and DEP, be remitted by the Issuer to the Commission for deposit in the Series 1993 Bond Sinking Fund and shall be applied only to the purchase of Bonds

of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Series 1993 Bond Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then outstanding without the prior approval and consent in writing of DEP and the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by DEP and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 6.06 and in Section 6.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1993 Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1993 Bond Reserve Account and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 6.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bond issued pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1993 Bond, and, so long as any of the Series 1977 Bonds are outstanding, on a parity therewith.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1993 Bond on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally,

as to lien on and source of and security for payment from such revenues, with the Series 1993 Bond.

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

B. Notwithstanding the foregoing, or any provision of Section 6.06 to the contrary, Additional Bonds may be issued solely for the purpose of completing the Project as described in the application to DEP or the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 6.07.

C. Notwithstanding the foregoing, in no event shall the Issuer be permitted to issue such Additional Bonds unless there is first obtained by the Issuer the written consent of DEP and the Authority to the issuance of bonds on a parity with the Bonds.

Section 6.08. 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 DEP and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

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

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

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to DEP and the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that Local Government Revenues are adequate to meet operation/maintenance expenses and debt service requirements.

The Issuer shall also, during construction of the Project and for two years following the completion of the Project, complete a Monthly Financial Report, as described in the Loan Agreement, and forward a copy by the 10th of each month to the Authority.

The Issuer shall provide DEP with all appropriate documentation to comply with any special conditions established by federal and/or State regulations as set forth in Exhibit E of the Loan Agreement or as promulgated from time to time.

Section 6.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder and under the 1977 Ordinance. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System; (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; and (iii) otherwise comply with the rate covenant set forth in the 1977 Ordinance so long as any Series 1977 Bonds remain outstanding; provided that, in the event that amounts equal to or in excess of the Series 1993 Bond Reserve Requirement are on deposit respectively in the Series 1993 Bond Reserve Account and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 6.04.

Section 6.10. Operating Budget and Audit. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated reserves and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting

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

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 6.11. Engineering Services and Operating Personnel. The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit the Recipient As-Built Plans, as defined in the SRF Regulations, to it within sixty (60) days of the completion of the Project. The Issuer shall notify DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," the form of which is attached to the Loan Agreement as Exhibit A, to DEP within sixty (60) days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is ninety percent (90%) completed.

The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is twenty-five percent (25%) complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of the Loan Agreement. The Issuer shall notify DEP in writing of the certified operator employed at the twenty-five percent (25%) completion stage.

Section 6.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the

enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid, to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 6.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class: and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

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

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

Section 6.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction, provided that Issuer gives no assurance of compliance with these requirements for parties outside the limits of the Issuer.

Section 6.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in compliance with all federal and State requirements and standards.

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

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

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

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

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

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 6.19. Additional Requirements. The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Issuer agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is twenty-five percent (25%) complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of the Loan Agreement. The Issuer shall notify DEP in writing of the certified operator employed at the twenty-five percent (25%) completion stage.

Section 6.20. Compliance with Loan Agreement. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide DEP with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

ARTICLE VII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 7.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and re-invested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The

Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are outstanding.

Section 7.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "Arbitrage Bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal Information Return with respect to the Bonds) so that the interest on the 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 7.03. Tax Certificate and Rebate. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations promulgated thereunder. For purposes of this Section 7.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 7.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity, and an entity formed (or, to the extent provided by the Mayor, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions:

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

(ii) 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, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder, and used only for payment of

rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code or 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 Bonds from gross income for federal income tax purposes; and

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

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

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

(3) If a Event of Default occurs under the 1977 Ordinance; or

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

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of Outstanding Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto including the 1977 Ordinance, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Outstanding Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Outstanding Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Outstanding Bonds, or the rights of such Registered Owners.

Section 8.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bond any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bond and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance of Series 1993 Bond. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 1993 Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1993 Bond only the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1993 Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1993 Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1993 Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All the Series 1993 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1993 Bond on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1993 Bond provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bond on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66.2/3% or more in principal amount of the Series 1993 Bond so affected and then Outstanding and DEP and the Authority; provided, that no change shall be made in the maturity of any Bond or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Bonds from gross income of the holders thereof.

Section 10.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Bond.

Section 10.04. Headings, Etc. The headings and captions of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 10.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Wellsburg, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that

any person interested may appear before the City Council upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 10.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading - August 10, 1993

Passed on Second Reading - August 25, 1993

Enacted
Following Public Hearing - September 14, 1993

The Supplemental Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading - October 12, 1993

Passed on Second Reading - October 19, 1993

Enacted
Following Public Hearing - November 2, 1993

The Supplemental Resolution was passed and enacted on November 17, 1993.

CITY OF WELLSBURG, WEST VIRGINIA

By_____
Mayor

[CITY SEAL]

ATTEST:

_____
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF WELLSBURG, WEST VIRGINIA on September 14, 1993.

Dated: September 14, 1993.

[SEAL]

City Clerk

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF WELLSBURG
COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE BOND,
SERIES 1993

SPECIMEN

No. R-1 $1,185,374

Date: November 19, 1993

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF WELLSBURG, WEST VIRGINIA, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of One Million One Hundred Eighty-five Thousand Three Hundred Seventy-four and 00/100 Dollars ($1,185,374.00), or such lesser amount as set forth on the Record of Advances attached as Schedule Y hereto and incorporated herein by reference, plus interest on the unpaid principal balance hereof at the rate set out below. Interest on this Bond is set at zero percent (0%) per annum during construction of the Project, as hereinafter defined, and until November 30, 1994; thereafter interest shall be paid on the unpaid principal balance at the rate of three percent (3%) per annum. Principal and interest on the Bond is payable in quarterly installments commencing March 1, 1995, and thereafter in quarterly installments on each March 1, June 1, September 1 and December 1, as set forth on the "Schedule of Annual Debt Service" attached as Schedule X hereto and incorporated herein by reference. The final installment of principal and interest shall be paid at the end of twenty (20) years from the date of this Bond and shall be in an amount equal to the amount of outstanding principal and interest due on the Bond at said date. Notwithstanding any provision of this Bond to the contrary, this Bond shall evidence only the indebtedness reflected as outstanding on the Record of Advances attached hereto. Interest shall accrue only on the amount of each advance from its actual date as listed on said Record of Advances and on the Record of Payments attached as Schedule Z hereto and incorporated herein by reference, and shall cease to accrue on the amount outstanding, or portions thereof, as the same is paid, as reflected by said Record of Advances and Record of Payments.

SPECIMEN

Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). Principal and interest on this Bond are payable by check or draft of the Paying Agent mailed to the registered owner hereof

SPECIMEN

SPECIMEN

at the address as it appears on the books of United National Bank, Charleston, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole at par, but only upon thirty (30) days prior written notice to the Authority and the West Virginia Division of Environmental Protection ("DEP") and upon the terms and conditions prescribed by and otherwise in compliance with the Loan Agreement by and among the Issuer, the Authority and DEP.

This Bond is issued (i) to pay a portion of the costs of construction of certain extensions, additions, betterments and improvements to the existing public waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to prefund a reserve account; and (iii) to pay certain costs of issuance hereof and related costs. The existing waterworks and sewerage system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto is herein called the "System". This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act") and an Ordinance duly adopted and enacted by the Issuer and effective September 14, 1993, a Supplemental Ordinance duly adopted and enacted by the Issuer and effective October 19, 1993, and a Supplemental Resolution approved by the Issuer on November 17, 1993 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. 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 Bond under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, from moneys in the Reserve Account created under the Ordinance for the Bond (the "Series 1993 Bond Reserve Account") and unexpended proceeds of the Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1993 Bond Reserve Account and unexpended proceeds of the Bond. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just

SPECIMEN

and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount payable in any year for principal of and interest on the Bond, the Refunding Bonds, as hereinafter defined, and all other obligations secured by a lien on or payable from such net revenues prior to or on a parity with the Bond, provided however, that so long as there exists in the Series 1993 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bond in the then current or any succeeding year and in the reserve account established for any other obligations outstanding prior to or on a parity with the Bond, an amount at least equal to the requirement therefor, such percentage may be reduced to one hundred ten percent (110%). The Issuer has entered into certain further covenants with the registered owners of the Bond for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bond are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

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

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

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

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THOSE CERTAIN COMBINED WATERWORKS AND SEWAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 1993, OF THE ISSUER DATED NOVEMBER 19, 1993, IN THE ORIGINAL PRINCIPAL AMOUNT OF $740,000.

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 the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF WELLSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk and has caused this Bond to be dated November 19, 1993.

THE CITY OF WELLSBURG,
WEST VIRGINIA

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

_____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 1993 Bond described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November ___, 1993

UNITED NATIONAL BANK

By: _____
Vice President

SCHEDULE X

CITY OF WELLSBURG

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
12/01/1994	-	-	-	-
3/01/1995	10,868.00	3.00000%	8,890.31	19,758.31
6/01/1995	10,949.00	3.00000%	8,808.80	19,757.80
9/01/1995	11,031.00	3.00000%	8,726.68	19,757.68
12/01/1995	11,114.00	3.00000%	8,643.95	19,757.95
3/01/1996	11,198.00	3.00000%	8,560.59	19,758.59
6/01/1996	11,281.00	3.00000%	8,476.61	19,757.61
9/01/1996	11,366.00	3.00000%	8,392.00	19,758.00
12/01/1996	11,451.00	3.00000%	8,306.75	19,757.75
3/01/1997	11,537.00	3.00000%	8,220.87	19,757.87
6/01/1997	11,624.00	3.00000%	8,134.34	19,758.34
9/01/1997	11,711.00	3.00000%	8,047.16	19,758.16
12/01/1997	11,799.00	3.00000%	7,959.33	19,758.33
3/01/1998	11,887.00	3.00000%	7,870.84	19,757.84
6/01/1998	11,976.00	3.00000%	7,781.69	19,757.69
9/01/1998	12,066.00	3.00000%	7,691.87	19,757.87
12/01/1998	12,157.00	3.00000%	7,601.37	19,758.37
3/01/1999	12,248.00	3.00000%	7,510.19	19,758.19
6/01/1999	12,340.00	3.00000%	7,418.33	19,758.33
9/01/1999	12,432.00	3.00000%	7,325.78	19,757.78
12/01/1999	12,526.00	3.00000%	7,232.54	19,758.54
3/01/2000	12,620.00	3.00000%	7,138.60	19,758.60
6/01/2000	12,714.00	3.00000%	7,043.95	19,757.95
9/01/2000	12,810.00	3.00000%	6,948.59	19,758.59
12/01/2000	12,906.00	3.00000%	6,852.52	19,758.52
3/01/2001	13,002.00	3.00000%	6,755.72	19,757.72
6/01/2001	13,100.00	3.00000%	6,658.21	19,758.21
9/01/2001	13,198.00	3.00000%	6,559.96	19,757.96
12/01/2001	13,297.00	3.00000%	6,460.97	19,757.97
3/01/2002	13,397.00	3.00000%	6,361.25	19,758.25
6/01/2002	13,497.00	3.00000%	6,260.77	19,757.77
9/01/2002	13,599.00	3.00000%	6,159.54	19,758.54
12/01/2002	13,701.00	3.00000%	6,057.55	19,758.55
3/01/2003	13,803.00	3.00000%	5,954.79	19,757.79
6/01/2003	13,907.00	3.00000%	5,851.27	19,758.27
9/01/2003	14,011.00	3.00000%	5,746.97	19,757.97
12/01/2003	14,116.00	3.00000%	5,641.88	19,757.88
3/01/2004	14,222.00	3.00000%	5,536.01	19,758.01
6/01/2004	14,329.00	3.00000%	5,429.35	19,758.35
9/01/2004	14,436.00	3.00000%	5,321.88	19,757.88
12/01/2004	14,544.00	3.00000%	5,213.61	19,757.61
3/01/2005	14,654.00	3.00000%	5,104.53	19,758.53
6/01/2005	14,763.00	3.00000%	4,994.63	19,757.63
9/01/2005	14,874.00	3.00000%	4,883.90	19,757.90
12/01/2005	14,986.00	3.00000%	4,772.35	19,758.35
3/01/2006	15,098.00	3.00000%	4,659.95	19,757.95
6/01/2006	15,211.00	3.00000%	4,546.72	19,757.72
9/01/2006	15,325.00	3.00000%	4,432.64	19,757.64
12/01/2006	15,440.00	3.00000%	4,317.70	19,757.70
3/01/2007	15,556.00	3.00000%	4,201.90	19,757.90
6/01/2007	15,673.00	3.00000%	4,085.23	19,758.23

CITY OF WELLSBURG

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2007	15,790.00	3.00000%	3,967.68	19,757.68
12/01/2007	15,909.00	3.00000%	3,849.26	19,758.26
3/01/2008	16,028.00	3.00000%	3,729.94	19,757.94
6/01/2008	16,148.00	3.00000%	3,609.73	19,757.73
9/01/2008	16,269.00	3.00000%	3,488.62	19,757.62
12/01/2008	16,392.00	3.00000%	3,366.60	19,758.60
3/01/2009	16,514.00	3.00000%	3,243.66	19,757.66
6/01/2009	16,638.00	3.00000%	3,119.81	19,757.81
9/01/2009	16,763.00	3.00000%	2,995.02	19,758.02
12/01/2009	16,889.00	3.00000%	2,869.30	19,758.30
3/01/2010	17,015.00	3.00000%	2,742.63	19,757.63
6/01/2010	17,143.00	3.00000%	2,615.02	19,758.02
9/01/2010	17,272.00	3.00000%	2,486.45	19,758.45
12/01/2010	17,401.00	3.00000%	2,356.91	19,757.91
3/01/2011	17,532.00	3.00000%	2,226.40	19,758.40
6/01/2011	17,663.00	3.00000%	2,094.91	19,757.91
9/01/2011	17,796.00	3.00000%	1,962.44	19,758.44
12/01/2011	17,929.00	3.00000%	1,828.97	19,757.97
3/01/2012	18,064.00	3.00000%	1,694.50	19,758.50
6/01/2012	18,199.00	3.00000%	1,559.02	19,758.02
9/01/2012	18,336.00	3.00000%	1,422.53	19,758.53
12/01/2012	18,473.00	3.00000%	1,285.01	19,758.01
3/01/2013	18,612.00	3.00000%	1,146.46	19,758.46
6/01/2013	18,751.00	3.00000%	1,006.87	19,757.87
9/01/2013	18,892.00	3.00000%	866.24	19,758.24
12/01/2013	19,034.00	3.00000%	724.55	19,758.55
3/01/2014	19,176.00	3.00000%	581.79	19,757.79
6/01/2014	19,320.00	3.00000%	437.97	19,757.97
9/01/2014	19,465.00	3.00000%	293.07	19,758.07
12/01/2014	19,611.00	3.00000%	147.08	19,758.08
TOTAL	1,185,374.00	-	395,271.38	1,580,645.38

YIELD STATISTICS

Accrued Interest from 12/01/1994 to 12/01/1994...	-
Average Life.....	11.115 YEARS
Bond Years.....	13,175.71
Average Coupon.....	3.0000000%
Net Interest Cost (NIC).....	3.0000000%
Bond Yield for Arbitrage Purposes.....	3.0112509%
True Interest Cost (TIC).....	3.0112500%
Effective Interest Cost (EIC).....	3.0112509%

SCHEDULE Z

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 55,321.00	11/19/93	(6)	$	
(2)	$ 79,030.00	11/19/93	(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

TOTAL $

SCHEDULE Z

RECORD OF PAYMENTS

	AMOUNT	DATE		AMOUNT	DATE
(1)	$_____		(6)	$_____	
(2)	$_____		(7)	$_____	
(3)	$_____		(8)	$_____	
(4)	$_____		(9)	$_____	
(5)	$_____		(10)	$_____	

TOTAL $_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer said Bond on the books kept for registration of the within Bond of said Issuer with full power of substitution in the premises.

Dated: _____, 19__.

_____
(Assignor)

Witnessed in the presence of:

_____

CITY OF WELLSBURG

COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM)

CONFORMED BOND ORDINANCE

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	CERTIFICATION

CONFORMED BOND ORDINANCE

CITY OF WELLSBURG

ORDINANCE AUTHORIZING DESIGN AND OTHER PRECONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF WELLSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $250,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF WELLSBURG.

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer, (the design and other preconstruction activities referred to herein as the "Project") (the existing public waterworks system of the Issuer, the aforementioned improvements contemplated by the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System").

C. The Issuer intends to permanently finance the costs of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), in the total aggregate principal amount of not more than $250,000 (the "Series 2010 A Bonds"), to be initially represented by a single bond, to permanently finance the costs of the Project. The remainder of the costs of the Project shall be as set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2010 A Bonds prior to and during the Project and for a period not exceeding 6 months after completion of the Project; amounts which may be deposited in the Series 2010 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 22 years.

F. It is in the best interests of the Issuer that its Series 2010 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH (the "Loan Agreement"), as shall be approved by a resolution supplemental hereto.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1993 (West Virginia Water Development Authority), dated November 19, 1993, issued in the original aggregate principal amount of $1,185,374 (the "Series 1993 Bonds"); and (ii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1993, dated November 19, 1993, issued in the original aggregate principal amount of $740,000 and held by United National Bank (the "Series 1993 Refunding Bonds"), (collectively, the "Prior Bonds").

The Series 2010 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2010 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the registered owners of the Series 1993 Bonds to the issuance of the Series 2010 A Bonds on a parity with

the Series 1993 Bonds. The Series 1993 Refunding 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.

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

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the Project and the System and issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity and approval of this financing from the Public Service Commission of West Virginia by Final Order.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such 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 Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2010 A Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2010 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 2010 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the Series 2010 A Bonds for all or a portion of the proceeds of the Series 2010 A Bonds from the Authority.

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

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

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

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

"Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

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

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

"Governing Body" means the council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the council as presently constituted.

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

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

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

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

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

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2010 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

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

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

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

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

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

"Parity Bonds" means additional Bonds issued on a parity with the Series 2010 A Bonds and the Prior Bonds under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2010 A Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Series 1993 Bonds and Series 1993 Refunding Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer respectively enacted, authorizing the issuance of the Prior Bonds.

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

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2010 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2010 A Bonds.

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

"Series 2010 A Bonds" means the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), of the Issuer, authorized by this Ordinance.

"Series 2010 A Bonds Project Trust Fund" means the Series 2010 A Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund established by Section 5.02 hereof.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2010 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, and shall include the Project, any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting City Clerk.

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the Project, at an estimated cost of not to exceed $250,000. The proceeds of the Series 2010 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has entered into or will enter into contracts for the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Authority and the BPH.

The cost of the Project is estimated not to exceed $250,000, which will be obtained from proceeds of the Series 2010 A Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2010 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2010 A Bonds of the Issuer. The Series 2010 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program)", in the

principal amount of not more than $250,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 A Bonds remaining after funding of the Series 2010 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2010 A Bonds, if any, shall be deposited in or credited to the Series 2010 A Bonds Project Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2010 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2010 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2010 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2010 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2010 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2010 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of

Authentication and Registration on any Series 2010 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2010 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2010 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2010 A Bonds or transferring the registered Series 2010 A Bonds are exercised, all Series 2010 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2010 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2010 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 A Bonds or, in the case of any proposed redemption of Series 2010 A Bonds, next preceding the date of the selection of Series 2010 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2010 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2010 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operations of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2010 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2010 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2010 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2010 A Bonds.

Section 3.10. Form of Series 2010 A Bonds. The text of the Series 2010 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WELLSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM
DESIGN REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: This _____ day of _____, 2010, that the CITY OF WELLSBURG, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___ to and including _____ 1, 20____, at the rate of 2% per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee of 1.0 %(as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2010 .

This Bond is issued (i) to pay the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and

related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2010 , and a Supplemental Resolution duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,185,374; AND (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $740,000 AND HELD BY UNITED NATIONAL BANK (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues, including the Prior Bonds; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2010.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Execution of Loan Agreement. The Series 2010 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the Project, the Issuer will file with the Authority a schedule setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Series 2010 A Bonds Project Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1993 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 1993 Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 1993 Refunding Bonds Sinking Fund (established by the Prior Ordinances);

(4) Series 1993 Refunding Bonds Reserve Account (established by the Prior Ordinances);

(5) Series 2010 A Bonds Sinking Fund; and

(6) Series 2010 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

(1) The Issuer shall first, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund an amount sufficient to pay 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 remit to the Commission (i) the amount required by the Prior Ordinances for the payment of interest on the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of interest on the Series 2010 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2010 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for payment of principal of the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month

prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i), the amount required by the Prior Ordinances to be deposited in the respective reserve accounts for the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 A Bonds Reserve Requirement.

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

Monies in the Series 2010 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2010 A Bonds as the same shall become due. Monies in the Series 2010 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2010 A Bonds as the same shall come due, when other monies in the Series 2010 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during the Project, be deposited in the Series 2010 A Bonds Project Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2010 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2010 A Bonds Reserve Account which result in a reduction in the balance of the Series 2010 A Bonds Reserve Account to below the Series 2010 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Series 2010 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Sinking Fund or the Series 2010 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2010 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

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

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the first business day of each month), deposit with the Commission the required principal and reserve account payments with respect to the Series 2010 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2010 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2010 A Bonds for the period commencing on the date of issuance of the Series 2010 A Bonds and ending 6 months after the estimated date of completion of the Project.

B. Next, from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission in the Series 2010 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 A Bonds Project Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

D. After completion of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 A Bonds shall be applied as directed by the BPH.

Section 6.02. Disbursements From the Bond Project Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2010 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 A Bonds Project Trust Fund shall be made only after submission to the BPH of the following: (1) a completed and signed "Payment Requisition Form", a form of which is attached to the Loan Agreement in compliance with the project schedule; and (2) a certificate, signed by an Authorized Officer, stating that:

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

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

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

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

Pending such application, monies in the Series 2010 A Bonds Project Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 A Bonds are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2010 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues, in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2010 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on June 8, 2010, and the sewer rate ordinance enacted on August 24, 2010, which rates are incorporated herein by reference as a part hereof.

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

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Ordinances. Additionally, so long as the Series 2010 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2010 A Bonds, immediately be remitted to the Commission for deposit in the Series 2010 A Bonds Sinking Fund, and, with the written permission of the Authority and the BPH, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2010 A Bonds. Any balance remaining after the payment of the Series 2010 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and the Issuer may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, shall be deposited in the Renewal and Replacement Fund. Payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of over 50% in amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2010 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2010 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2010 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2010 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2010 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, betterments or improvements to the System or refunding any outstanding Bonds issued pursuant hereto, or both such purposes.

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

(1) The Prior Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2010 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2010 A Bonds.

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

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

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of the Project and commencement of operation thereof.

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

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

The Issuer shall file with the BPH, the Authority, or any other original purchaser of the Series 2010 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2010 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the system outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 A Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Series 2010 A Bonds. Such audit report submitted to the BPH and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the Net Revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement for the Series 2010 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2010 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to provide the Net Revenues equal to not less than the sum required by the Prior Ordinances, so long as the Prior Bonds are outstanding, and thereafter sufficient to provide for the reasonable expenses of operation, repair and

maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues, including the Prior Bonds; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, the improvements contemplated by the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of the Project, and all permits required by federal and state laws for the Project have been obtained.

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

shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify BPH in writing of such receipt.

The Issuer shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Issuer shall employ qualified operating personnel properly certified by the State.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2010 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties

similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE, for all employees of or for the system eligible therefor; and performance and payment bonds, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions, or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

Section 7.16. 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 water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2010 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the Project and the operation of the System and all approvals for issuance of the Series 2010 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law. A. The Loan Agreement is attached hereto as Exhibit A and incorporated herein in its entirety. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything

herein to the contrary, the Issuer shall provide the BPH with copies of all documents submitted to the Authority.

B. The Issuer shall also comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all local ordinances issued by the Authority, the BPH or other state, federal or local bodies in regard to the Project and the operation, maintenance and use of the System.

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

Section 7.19. [Reserved]

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2010 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2010 A Bonds or immediately thereafter, enter into written contracts for the Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2010 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2010 A Bonds made available due to project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as

the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2010 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2010 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2010 A Bonds as a condition to issuance of the Series 2010 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to maintain the status of the Series 2010 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2010 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2010 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2010 A Bonds and, at any time, any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2010 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2010 A Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2010 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2010 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2010 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2010 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2010 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2010 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2010 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 2010 A Bonds, any Registered Owner of a Series 2010 A Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2010 A Bonds and interest, if any, and the deposits

into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2010 A Bonds and interest thereon, if any, and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2010 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2010 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2010 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2010 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2010 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2010 A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2010 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2010 A Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

City of Wellsburg
70 Town Square
Wellsburg, West Virginia 26070
Attention: Mayor

AUTHORITY:

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

BPH:

West Virginia Bureau for Public Health
350 Capitol Street
Charleston, West Virginia 25301
Attention: Infrastructure and Capacity Development

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. Except for the Prior Ordinances, all orders, resolutions and ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption 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 Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Brooke County Review*, a newspaper of general circulation in the City of Wellsburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

Section 11.09. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Passed on First Reading:	-	August 19, 2010
Passed on Second Reading:	-	September 14, 2010
Passed on Final Reading Following Public Hearing:	-	October 12, 2010

Sue Simonetti
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF WELLSBURG on the 12th day of October, 2010.

Dated: October 27, 2010.

[SEAL]

Mary M Blum
City Clerk

09.27.10
952630.00006

5437136

CITY OF WELLSBURG

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), OF THE CITY OF WELLSBURG; APPROVING A CONFORMED ORDINANCE; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Wellsburg (the "Issuer") has duly and officially enacted a bond ordinance, effective October 12, 2010 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE DESIGN AND OTHER PRE-CONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF WELLSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $250,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Issuer desires to amend the Bond Ordinance though this Supplemental Resolution and Conformed Ordinance (collectively, the "Bond Legislation")

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), of the Issuer (the "Series 2010 A Bonds" or the "Bonds"), in the aggregate principal amount not to exceed $250,000 and has authorized the execution and delivery of the loan agreement relating to the Series 2010 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Section 7.04 of the Bond Ordinance is hereby revised and restated in its entirety as follows:

> Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on June 8, 2010, and the sewer rate ordinance enacted on August 24, 2010, which rates are incorporated herein by reference as a part hereof.
>
> So long as the Series 2010 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take

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

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

Section 3. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $215,000. The Series 2010 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2031, and shall bear interest at the rate of 2% per annum, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including June 1, 2031. The principal of the Series 2010 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including June 1, 2031, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2010 A Bonds. The Series 2010 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2010 A Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1% of the principal amount of the Series 2010 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

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

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

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

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

Section 8. The Issuer does hereby appoint and designate Main Street Bank, Wheeling, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 9. Series 2010 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 A Bonds Sinking Fund, as capitalized interest.

Section 10. Series 2010 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 A Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 2010 A Bonds shall be deposited in or credited to the Series 2010 A Bonds Project Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 12. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about October 27, 2010, to the Authority pursuant to the Loan Agreement.

Section 13. The completion of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2010 A Bonds Sinking Fund, including the Series 2010 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Board of Treasury Investments.

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

Section 16. The Issuer hereby approves and accepts all contracts relating to the financing and completion of the Project and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

Section 17. The Issuer herby approves and authorizes the City of Wellsburg Water Board to approve and authorize future draw requests.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 12th day of October, 2010.

CITY OF WELLSBURG

Sue Simonetti
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Wellsburg on the 12th day of October, 2010.

Dated: October 27, 2010.

[SEAL]

Mary M Blum
City Clerk

09.30.10
952630.00006

5437219

Exhibit A
Conformed Bond Ordinance

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WELLSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM
DESIGN REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $215,000

KNOW ALL MEN BY THESE PRESENTS: This 27th day of October, 2010, that the CITY OF WELLSBURG, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED FIFTEEN THOUSAND DOLLARS ($215,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2011 to and including June 1, 2031, at the rate of 2% per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee of 1.0% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated October 27, 2010.

This Bond is issued (i) to pay the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further

extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on October 12, 2010 , and a Supplemental Resolution duly adopted by the Issuer on October 12, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,185,374; AND (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 19, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $740,000 AND HELD BY UNITED NATIONAL BANK (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues, including the Prior Bonds; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 27, 2010.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $21,500	10/27/10	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

City of Wellsburg

DWTRF

20 Years

2% Interest Rate

1% Administrative Fee

Dated Date	10/27/2010
Delivery Date	10/27/2010

Period Ending	Principal	Coupon	Interest	Debt Service
10/27/2010				
9/1/2011	2,192	2.000%	1,075.00	3,267.00
12/1/2011	2,203	2.000%	1,064.04	3,267.04
3/1/2012	2,214	2.000%	1,053.03	3,267.03
6/1/2012	2,225	2.000%	1,041.96	3,266.96
9/1/2012	2,237	2.000%	1,030.83	3,267.83
12/1/2012	2,248	2.000%	1,019.65	3,267.65
3/1/2013	2,259	2.000%	1,008.41	3,267.41
6/1/2013	2,270	2.000%	997.11	3,267.11
9/1/2013	2,282	2.000%	985.76	3,267.76
12/1/2013	2,293	2.000%	974.35	3,267.35
3/1/2014	2,304	2.000%	962.89	3,266.89
6/1/2014	2,316	2.000%	951.37	3,267.37
9/1/2014	2,328	2.000%	939.79	3,267.79
12/1/2014	2,339	2.000%	928.15	3,267.15
3/1/2015	2,351	2.000%	916.45	3,267.45
6/1/2015	2,363	2.000%	904.70	3,267.70
9/1/2015	2,374	2.000%	892.88	3,266.88
12/1/2015	2,386	2.000%	881.01	3,267.01
3/1/2016	2,398	2.000%	869.08	3,267.08
6/1/2016	2,410	2.000%	857.09	3,267.09
9/1/2016	2,422	2.000%	845.04	3,267.04
12/1/2016	2,434	2.000%	832.93	3,266.93
3/1/2017	2,447	2.000%	820.76	3,267.76
6/1/2017	2,459	2.000%	808.53	3,267.53
9/1/2017	2,471	2.000%	796.23	3,267.23
12/1/2017	2,483	2.000%	783.88	3,266.88
3/1/2018	2,496	2.000%	771.46	3,267.46
6/1/2018	2,508	2.000%	758.98	3,266.98
9/1/2018	2,521	2.000%	746.44	3,267.44
12/1/2018	2,534	2.000%	733.84	3,267.84
3/1/2019	2,546	2.000%	721.17	3,267.17
6/1/2019	2,559	2.000%	708.44	3,267.44
9/1/2019	2,572	2.000%	695.64	3,267.64
12/1/2019	2,585	2.000%	682.78	3,267.78
3/1/2020	2,598	2.000%	669.86	3,267.86
6/1/2020	2,611	2.000%	656.87	3,267.87
9/1/2020	2,624	2.000%	643.81	3,267.81
12/1/2020	2,637	2.000%	630.69	3,267.69
3/1/2021	2,650	2.000%	617.51	3,267.51
6/1/2021	2,663	2.000%	604.26	3,267.26
9/1/2021	2,676	2.000%	590.94	3,266.94
12/1/2021	2,690	2.000%	577.56	3,267.56

BOND DEBT SERVICE

City of Wellsburg

DWTRF

20 Years

2% Interest Rate

1% Administrative Fee

Period Ending	Principal	Coupon	Interest	Debt Service
3/1/2022	2,703	2.000%	564.11	3,267.11
6/1/2022	2,717	2.000%	550.60	3,267.60
9/1/2022	2,730	2.000%	537.01	3,267.01
12/1/2022	2,744	2.000%	523.36	3,267.36
3/1/2023	2,758	2.000%	509.64	3,267.64
6/1/2023	2,772	2.000%	495.85	3,267.85
9/1/2023	2,785	2.000%	481.99	3,266.99
12/1/2023	2,799	2.000%	468.07	3,267.07
3/1/2024	2,813	2.000%	454.07	3,267.07
6/1/2024	2,827	2.000%	440.01	3,267.01
9/1/2024	2,842	2.000%	425.87	3,267.87
12/1/2024	2,856	2.000%	411.66	3,267.66
3/1/2025	2,870	2.000%	397.38	3,267.38
6/1/2025	2,884	2.000%	383.03	3,267.03
9/1/2025	2,899	2.000%	368.61	3,267.61
12/1/2025	2,913	2.000%	354.12	3,267.12
3/1/2026	2,928	2.000%	339.55	3,267.55
6/1/2026	2,942	2.000%	324.91	3,266.91
9/1/2026	2,957	2.000%	310.20	3,267.20
12/1/2026	2,972	2.000%	295.42	3,267.42
3/1/2027	2,987	2.000%	280.56	3,267.56
6/1/2027	3,002	2.000%	265.62	3,267.62
9/1/2027	3,017	2.000%	250.61	3,267.61
12/1/2027	3,032	2.000%	235.53	3,267.53
3/1/2028	3,047	2.000%	220.37	3,267.37
6/1/2028	3,062	2.000%	205.13	3,267.13
9/1/2028	3,078	2.000%	189.82	3,267.82
12/1/2028	3,093	2.000%	174.43	3,267.43
3/1/2029	3,108	2.000%	158.97	3,266.97
6/1/2029	3,124	2.000%	143.43	3,267.43
9/1/2029	3,140	2.000%	127.81	3,267.81
12/1/2029	3,155	2.000%	112.11	3,267.11
3/1/2030	3,171	2.000%	96.33	3,267.33
6/1/2030	3,187	2.000%	80.48	3,267.48
9/1/2030	3,203	2.000%	64.54	3,267.54
12/1/2030	3,219	2.000%	48.53	3,267.53
3/1/2031	3,235	2.000%	32.43	3,267.43
6/1/2031	3,251	2.000%	16.26	3,267.26
	215,000		**46,389.59**	**261,389.59**

$289.93 Quarterly Admin Fee, $23,194.40

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____