CITY OF WILLIAMSON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture)

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CITY OF WILLIAMSON
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

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CITY OF WILLIAMSON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WASTEWATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE FACILITIES OF THE CITY OF WILLIAMSON, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The City of Williamson (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Mingo County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a combined waterworks and sewerage system and desires to acquire, construct and operate certain additional public combined waterworks and

sewerage facilities consisting of additions, betterments and improvements to such existing combined waterworks and sewerage facilities, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the existing sewerage portion of the system of the Issuer, consisting of a installation of new lift station and upgrades to the wastewater treatment plant necessary for sludge disposal (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Clerk of the Issuer. The existing combined waterworks and sewerage system of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $1,500,000, which will be obtained from the proceeds of sale of the Bonds herein authorized.

E. It is necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds Series 2009 A (United States Department of Agriculture) in one or more series of bonds in the aggregate principal amount of $1,500,000 (the "Series 2009 A Bonds"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2009 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

F. The period of usefulness of the System, as herein defined, after completion of the Project is not less than 40 years.

G. The Issuer has the following outstanding obligations: (i) Water and Sewer Revenue Bonds, Series 1979 (United States Department of Agriculture), dated February 27, 1980, issued in the original aggregate principal amount of $2,200,000 (the "Series 1979 Bonds"); (ii) Waterworks and Sewer Revenue Bonds, Series 1986 C (United States Department of Agriculture), dated May 28, 1986, issued in the original principal amount of $1,800,000 (the "Series 1986 C Bonds") (collectively, the "First Lien Bonds");

The Issuer also has the following outstanding obligations: (i) Waterworks and Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 28, 1986, issued in the original aggregate principal amount of $698,295 (the "Series 1986 B Bonds"); and (ii) Waterworks and Sewer System Refunding Revenue Bonds, Series 1996 A, dated October 1, 1996, issued in the original aggregate principal amount of $1,840,000 (the "Series 1996 A Bonds") (collectively, with the First Lien Bonds, the "Prior Bonds").

The Series 2009 A Bonds shall be issued on a parity with the First Lien Bonds. Prior to the issuance of the Series 2009 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met; (ii) the written consent of the Holders of the First Lien Bonds to the issuance of the Series 2009 A Bonds on a parity with the First Lien Bonds; and (iii) the written consent of the Holders of the Series 1986 B Bonds to the issuance of the Series 2009 A Bonds prior to the Series 1986 B Bonds. The Series 1996 A Bonds do not require consent of the Bondholders. 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. It is in the best interest of the Issuer that the Series 2009 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated March 13, 2008, and any amendments, thereto (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2009 A Bonds, or will have so complied prior to issuance of the Series 2009 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2009 A Bonds.

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended.

"Board" means the utility board duly created by the Issuer for the management and operation of its combined waterworks and wastewater system.

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

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Clerk.

"Bonds" means, collectively, the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation, and the Prior Bonds.

"Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2009 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2009 A Bonds from the Purchaser.

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

"Consulting Engineer" means E.L. Robinson Engineering Co., Cross Lanes, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means the City National Bank, Williamson, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "combined waterworks and sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Grants" means, collectively, all grants committed for the Project.

"FDIC" means the Federal Deposit Insurance Corporation.

"First Lien Bonds" mean the Series 1979 Bonds and Series 1986 C Bonds.

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

"Governing Body" or "Council" means the Council of the Issuer.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the City of Williamson, a municipal corporation and political subdivision of the State of West Virginia, in Mingo County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated March 13, 2008, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 A Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 2009 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Ordinances" means, the Bond Legislation.

"Prior Bonds" means the Series 1979 Bonds, Series 1986 C Bonds, Series 1986 B Bonds and Series 1996 A Bonds.

"Prior Ordinances" means the Ordinances of the Issuer, authorizing the issuance of the Prior Bonds, as supplemented.

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

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits

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

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

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

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

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

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2009 A Bonds.

"Reserve Funds" means, the respective reserve funds for the Bonds.

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

"Series 1979 Bonds" means that Issuer's Water and Sewer Revenue Bonds, Series 1979 (United States Department of Agriculture), dated February 27, 1980, issued in the original aggregate principal amount of $2,200,000.

"Series 1986 C Bonds" means the Issuer's Waterworks and Sewer Revenue Bonds, Series 1986 C (United States Department of Agriculture), dated May 28, 1986 and issued in the original aggregate principal amount of $1,800,000.

"Series 1986 B Bonds" means the Issuer's Waterworks and Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 28, 1986 and issued in the original aggregate principal amount of $1,800,000.

"Series 1996 A Bonds" means the Issuer's Waterworks and Sewer System Refunding Revenue Bonds, Series 1996 A, dated October 1, 1996 and issued in the original aggregate principal amount of $1,840,000.

"Series 2009 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds (United States Department of Agriculture) issued in one or more series authorized hereby to be issued pursuant to this bond legislation.

"State" means the State of West Virginia.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2009 A Bonds or any certificate or other document by the Mayor or the Clerk shall mean that such Series 2009 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Clerk.

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 maximum cost of $1,500,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The Cost of the Project is estimated not to exceed $1,500,000 which will be obtained from the proceeds of the Series 2009 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2009 A Bonds of the Issuer, to be known as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of $1,500,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2009 A Bonds shall be issued in one or more series, only as a fully registered Bonds, and shall be dated on the date of delivery thereof. The Series 2009 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 4.375% per annum, and shall be sold for the par value thereof.

The Series 2009 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2009 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2009 A Bonds, and the right to the principal of and stated interest on the Series 2009 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2009 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2009 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2009 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2009 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2009 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2009 A Bonds initially issued pursuant

hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2009 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2009 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2009 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2009 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2009 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2009 A Bonds shall cease to be such officer of the Issuer before the Series 2009 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2009 A Bonds had not ceased to hold such office. The Series 2009 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2009 A Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2009 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2009 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2009 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2009 A Bonds the Issuer may pay the same, and, if such Series 2009 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2009 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2009 A Bonds on a parity with the Series 1979 Bonds and Series 1986 C Bonds, and senior and prior to the Series 1986 B Bonds and Series 1996 A Bonds. The Net Revenues derived from

the System, in an amount sufficient to pay the principal of and interest on the Series 2009 A Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2009 A Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2009 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2009 A BOND)

CITY OF WILLIAMSON

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. AR-1 Date: _____, 2009

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

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

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

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

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

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

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

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

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

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

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on _____, 2009 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S (1) WATER AND SEWER REVENUE BONDS, SERIES 1979 (UNITED STATE DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 27, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 1979 BONDS"); AND (2) WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DAED MAY 28, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,800,000 (THE "SERIES 1986 B BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, THE ISSUER'S (1) WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 28, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $698,295 (THE "SERIES 1986 B BONDS"); AND (2) WATERWORKS AND SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL OF $1,840,000 (THE "SERIES 1996 A BONDS").

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF WILLIAMSON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

CITY OF WILLIAMSON

[CORPORATE SEAL]

_____
Mayor

ATTEST:

_____
Clerk

RECORD OF ADVANCES

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

TOTAL $

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In presence of:

_____

ARTICLE IV

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

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with, and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund (established by the Prior Ordinances and continued hereby);

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

(3) Series 1979 Reserve Fund (established by the Prior Ordinances and continued hereby); and

(3) Series 2009 A Construction Trust Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by Prior Ordinance), 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 1986 B Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 1986 B Bonds Reserve Account (established by the Prior Ordinance);

(3) Series 1986 C Bonds Reserve Account (established by Prior Ordinance);

(4) Series 1996 A Bonds Sinking Fund (established by Prior Ordinance)

(5) Series 1996 A Bonds Reserve Account (established by Prior Ordinance); and

(6) Series 2009 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Construction Trust Fund. The proceeds of sale of the Series 2009 A Bonds shall be deposited upon receipt by the Issuer in the Series 2009 A Construction Trust Fund. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2009 A Construction Trust Fund shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2009 A Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2009 A Construction Trust Fund and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2009 A Bonds if there are not sufficient Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Series 2009 A Construction Trust Fund shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2009 A Construction Trust Fund shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2009 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2009 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2009 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2009 A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Ordinances.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to (i) the National Finance Office the amounts required by the Prior Resolutions to pay interest on the Series 1979 Bonds and the Series 1986 C Bonds; and (ii) to the National Finance Office, the amounts required to pay the interest on the Series 2009 A Bonds. All payments with respect to interest on the Series 1979 Bonds, the Series 1986 C Bonds and the Series 2009 A Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to (i) the National Finance Office the amounts required by the Prior Resolutions to pay principal on the Series 1979 Bonds and the Series 1986 C Bonds; and (ii) on or before the due date hereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2009 A Bonds, the amount required to amortize the principal of the Series 2009 A Bonds over the life of the bond issue.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to (i) the Depository Bank the amounts required by the Prior Ordinances to be deposited in the Series 1979 Bonds Reserve Account; (ii) to the Commission the amounts required by the Prior Ordinances to be deposited in the Series 1986 C Bonds Reserve Account; and (iii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2009 A Bonds Reserve Account an amount equal to 10% of the monthly payment amount, until the amount in the respective Series 2009 A Bonds Reserve Accounts equals the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the respective Series 2009 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 2009 A Bonds Reserve Requirement. Moneys in the Series 2009 A Bonds Reserve Account

shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2009 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2009 A Bonds, or for mandatory prepayment of the Series 2009 A Bonds as hereinafter provided, and for no other purpose; provided, however, that when the Minimum Reserve has been accumulated in the Series 2009 A Bonds Reserve Account, all earnings of investments of moneys therein shall at least annually be transferred to and deposited in the Revenue Fund.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by the Prior Resolutions to pay interest on the Series 1996 A Bonds.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission the amounts required by the Prior Resolutions to pay principal on the respective Series 1986 B Bonds and the Series 1996 A Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission the amounts required by the Prior Ordinances to be deposited in the respective reserve accounts for the Series 1986 B Bonds and Series 1996 A Bonds.

(8) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account; and shall use the monies therein as provided by the Prior Resolutions, except that any deficiencies in the debt service payments on the Series 2009 A Bonds shall be payable from the Renewal and Replacement Fund on a parity with the Prior Bonds. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

Whenever the monies in the Series 2009 A Bonds Reserve Account shall be sufficient to prepay the Series 2009 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2009 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

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

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2009 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and Electronically transferred to the Commission on the dates required hereunder.

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

The Revenue Fund, the Series 2009 A Bonds Reserve Account and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2009 A Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Subject to the Prior Ordinances, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2009 A Bonds Reserve Account and the

Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or in the Prior Ordinances, or unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2009 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2009 A Bonds, provide evidence that there will be at least 1,460 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2009 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2009 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2009 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2009 A Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Ordinances. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2009 A Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Ordinances. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2009 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 A Bonds pursuant to this Resolution, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Resolutions).

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

So long as the Series 1979 Bonds, the Series 1986 C Bonds or the Series 2009 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the

conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds then Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 1979 Bonds, the Series 1986 B Bonds and the Series 2009 A Bonds are no longer outstanding, the following parity requirement shall be met:

So long as the Series 1986 B Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution 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 date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

So long as the Series 1996 A Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the

estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 125%, 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 Resolution 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 date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to this 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 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

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

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2009 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2009 A Bonds.

C. VEHICULAR PUBLIC LIABILITY INSURANCE, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of

vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

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

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

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2009 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2009 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act on a parity with the Series 1979 Bonds and Series 1986 C Bonds and senior and prior to the Series 1986 B Bonds and the Series 1996 A Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2009 A Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Series 2009 A Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2009 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

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

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2009 A Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2009 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Clerk on the date of adoption hereof, subject to permitted changes.

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

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

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2009 A Bonds are outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

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

A. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on June 14, 2007 and the sewer rate ordinance duly enacted on June 14, 2007 which rates are incorporated herein by reference as a part hereof.

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

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

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

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

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2009 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2009 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2009 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2009 A Bonds, the Issuer may not defease the Series 2009 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2009 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2009 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2009 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2009 A Bonds.

Section 7.05. Prior Ordinances; Conflicting Provisions Repealed. The Prior Ordinances and all parts thereof not hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Ordinances.

All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47) and the Prior Ordinances.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, 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 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the *Williamson Daily News*, being qualified newspapers of general circulation in the City of Williamson, together with a notice stating that this Ordinance has been adopted, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Clerk of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading: January 8, 2009

Passed on Second Reading: January 22, 2009

Passed on Final Reading
Following Public Hearing: February 26, 2009

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Williamson on the 26th day of February, 2009, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the City of Williamson on this 2nd day of July, 2009.

[SEAL]

Frances Frye
Clerk

06/18/09
976580.00001

CITY OF WILLIAMSON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A OF THE CITY OF WILLIAMSON, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of Williamson (the "Issuer") has duly and officially adopted and enacted a bond ordinance, February 26, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WASTEWATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE FACILITIES OF THE CITY OF WILLIAMSON, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2009 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A, of the Issuer (the "Series 2009 A Bonds"), in an aggregate principal amount not to exceed $1,500,000, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act");

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

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

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

A. Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of $1,055,000. The Series 2009 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.375% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2009 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $4,759 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2009 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2009 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2009 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about July 2, 2009, to the Purchaser.

Section 3. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2009 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 4. The Issuer does hereby appoint and designate The First National Bank of Williamson, Williamson, West Virginia for the purpose of serving in the capacity of Depository Bank.

Section 5. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 6. The first draw resolution is hereby approved. The Utility Board of the Issuer is hereby approved to review and approve all invoices and pay requests for the Project.

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

[Remainder of Page Intentionally Blank]

Adopted this 25th day of June, 2009.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Williamson on the 25th day of June, 2009.

Dated: July 2, 2009.

[SEAL]

Frances Frye
Clerk

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Issued: January 7, 2009

FINAL

1/27/2009

CASE NO. 08-1630-S-CN

WILLIAMSON UTILITY BOARD,
Williamson, Mingo County.
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing wastewater system and for approval of the financing thereof.

RECOMMENDED DECISION

On September 22, 2008, City of Williamson Utility Board ("Applicant") filed with the Public Service Commission ("Commission") an application for a certificate of convenience and necessity to construct certain additions and improvements to its wastewater system. Supporting documentation was filed.

Also on September 22, 2008, the Commission directed the Applicant to publish a Notice of Filing, which provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On October 21, 2008, the Applicant filed an affidavit establishing publication of the Notice of Filing on October 7, 2008, in the Williamson Daily News.

On November 7 and 14, 2008, the Commission, by Order referred this matter to the Division of Administrative Law Judges for decision no later than April 20, 2009.

On December 22, 2008, the Final Joint Staff Memorandum was filed, which included the following: The project entails upgrades and improvements, including the installation of a new sewer lift station, necessary to restore a portion of the Applicant's gravity sewer system that was destroyed by flooding and erosion. Also part of the project are upgrades to the Applicant's treatment plant that are necessary for sludge disposal. Included in the filed permits for the project was Permit No. 18,002, issued by the State of West Virginia Office of Environmental Health Services on June 6, 2008. The

project is estimated to cost $1,055,000, to be financed by a loan in that amount from the Rural Utilities Service, payable at an annual interest rate of 4.375% over forty years; the commitment letter was filed with the application. Staff found the costs to be reasonable. Noting that the project will not increase the Applicant's operation and maintenance expenses, Staff found that the Applicant's present rates will be adequate to cover the debt service costs of the project, leaving an annual cash surplus of $64,936 and providing debt service coverage of 122.79%. Staff, therefore, found the project to be economically feasible. Staff recommended that the project and its financing be approved.

On January 2, 2009, the Applicant filed a letter stating that it agreed with the Staff recommendations stated above.

FINDINGS OF FACT

1. On September 22, 2008, City of Williamson Utility Board filed with the Public Service Commission an application for a certificate of convenience and necessity to construct certain additions and improvements to its wastewater system, including the installation of a new sewer lift station, which is necessary to restore a portion of the Applicant's gravity sewer system that was destroyed by flooding and erosion. Also part of the project are upgrades to the Applicant's treatment plant that are necessary for sludge disposal. (See application; Final Joint Staff Memorandum filed December 22, 2008).

2. The permits for the project, including Permit No. 18,002, issued by the State of West Virginia Office of Environmental Health Services on June 6, 2008, have been filed. (See application; Final Joint Staff Memorandum).

3. The project is estimated to cost $1,055,000. (See application; Final Joint Staff Memorandum).

4. The project will be financed by a $1,055,000 loan from the Rural Utilities Service, payable at an annual interest rate of 4.375% over forty years. (See application; Final Joint Staff Memorandum).

5. After the project is built, the City of Williamson Utility Board's present sewer rates will be adequate, providing an annual surplus of $64,936 and debt service coverage of 122.79%. (See Final Joint Staff Memorandum).

6. A Notice of Filing of the application was published on October 7, 2008, in the Williamson Daily News, and no protest was filed. (See filing of October 21, 2008; case file generally).

7. Staff found that the project is needed and its plans and costs are reasonable. Staff further found that the project is financially feasible. Accordingly, Staff recommended that the application be granted and the project and its funding be approved. (See Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. It is appropriate to grant the application and approve the project, pursuant to W.Va. Code §24-2-11, because it is reasonable and necessary and no protest to it has been filed.

2. It is appropriate to approve the funding.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on September 22, 2008, by the City of Williamson Utility Board for a certificate of convenience and necessity to construct certain additions and improvements to its wastewater system is granted and the project approved.

IT IS FURTHER ORDERED that funding for the project, consisting of a $1,055,000 loan from the Rural Utilities Service, payable at an annual interest rate of 4.375% over forty years, is approved.

IT IS FURTHER ORDERED that, if there is any change in any of the terms, conditions, scheduling or financing of the project, estimated at $1,055,000, the City of Williamson Utility Board notify the Public Service Commission and file for Commission approval of any such revision.

IT IS FURTHER ORDERED that the City of Williamson provide the Commission with a copy of the project engineer's certified tabulation of bids within ten (10) days of the bid opening date for each construction contract or vendor bid awarded for the project hereby approved.

IT IS FURTHER ORDERED that the City of Williamson provide the Commission with the certificate of substantial completion within ten (10) days of issuance by the project engineer.

IT IS FURTHER ORDERED that, if this project requires the use of the Division of Highways' rights-of-way, the City of Williamson 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 removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon Commission Staff by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary within fifteen (15) days of the date this order 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 order 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 Order 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 Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Sunya Anderson
Administrative Law Judge

SA:s
081630a.wpd

STEPTOE & JOHNSON PLLC
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October 21, 2008

RECEIVED
08 OCT 21 AM 11:59
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Via Hand Delivery

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

Re: Case No.: 08-1630-S-CN
CITY OF WILLIAMSON, MINGO COUNTY, WEST VIRGINIA
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing wastewater system; and for approval of the financing thereof

Dear Ms. Squire:

Enclosed herein for filing on behalf of the City of Williamson, please find an original and twelve (12) copies of an affidavit of publication verifying that the Notice of Filing for the above captioned certificate case was published on October 7, 2008 in the *Williamson Daily News*.

Please file the enclosed affidavit of publication 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) 353-8148.

Best Regards,

John C. Stump
(W.V. State Bar No. 6385)
Todd M. Swanson
(W.V. State Bar No. 10509)

CH5007915.1

TMS
Enclosures

cc: A. Darrin McCormick, Mayor (w/o enclosure)
Michael Griffith, CPA (w/o enclosure)
Gary Facemyer, P.E. (w/o enclosure)

976580.00005

State of West Virginia, Mingo County, to-wit:

I, Gaither Perry, Publisher of Williamson Daily News, a paper published in the County aforesaid, do affirm that Notice hereto attached was published in said paper for 1 successive weeks, the first publication thereof being on the 7th day of October 2008 and the subsequent publication on the _____ day of _____ 2008, the _____ day of _____, 2008, the _____ day of _____ 2008, and the _____ day of _____, 2008.

State of West Virginia, Mingo, to-wit:

_____ being duly sworn, says that he posted a copy of the annexed _____ at the front door of the Court House of said County, on the _____ day of _____ 2008.

Taken, subscribed and sworn to before me, this 16th day of October 2008. Printer's fee $ 81.46

Lisa R. Pennington
Notary Public

MY COMMISSION EXPIRES ON 7-19-2017

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Lisa R. Pennington
Williamson Daily News
PO Box 1390
Williamson, WV 25661
My Commission Expires July 17, 2017

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 22nd day of September 2008.

CASE NO. 08-1630-S-CN
WILLIAMSON UTILITY BOARD
Williamson, WV 25661

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

NOTICE OF FILING

On September 22, 2008, the Williamson Utility Board (Board) filed an application, duly verified, for a Certificate to construct certain additions, improvements and extensions to the wastewater portion of its existing waterworks and wastewater system in Mingo County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The Board estimates that construction is not expected to exceed $1,065,000.00. It is proposed that the construction will be financed by a loan from the United States Department of Agriculture.

The Board proposes to construct certain additions and improvements to the wastewater portion of its existing waterworks and wastewater system consisting of the replacement of various sewer lines, the installation of a new lift station, the removal of sludge and appurtenances relating thereto (the "Project"). In connection with the Project, the Board is not seeking an increase in its existing wastewater rates. Therefore, the Board anticipates charging its wastewater customers the rates and charges established in its existing wastewater tariff, which was effective July 29, 2007.

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.

Pursuant to W. Va. Code §24-2-11, it is ORDERED that the Williamson Utility Board give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Mingo County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication, unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P. O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within the thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

107

RUS BULLETIN 1780-27
(Automated 8-97

FORM APPROVED
OMB. No. 0575-0015

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **City Council**

OF THE **Williamson, City Of**

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

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the **Williamson, City Of**
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

ONE MILLION FIFTY-FIVE THOUSAND AND XX / 100 DOLLARS ($1,055,000.00)

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

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

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

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

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

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

    under the terms offered by the Government; that **Mayor**

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

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

Yeas 4 Nays 0 Absent 1

IN WITNESS WHEREOF, the **City Council** of the

Williamson, City Of has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this ~~13th~~ 17th day of March, 2008

Williamson, City Of

(SEAL)

By **A. Darrin McCormick**

Attest: Francis Frye

Francis K. Frye

Title **Mayor**

Title City Clerk

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as City Clerk of the Williamson, City Of

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

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

held on the 2nd day of July, 2009 ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of July 2, 2009 ,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 2nd day of July, 2009

Frances Tripp

Title City Clerk

United States Department of Agriculture
Rural Development
West Virginia State Office

July 2, 2009

City of Williamson
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the First Lien Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture) (the "Series 2009 A Bonds"), in the original aggregate principal amount of not to exceed $1,055,000, by the City of Williamson (the "Issuer"), under the terms of the bond ordinance authorizing the issuance of the Series 2009 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding (a) Water and Sewer Revenue Bonds, Series 1979, dated February 27, 1980 (United States Department of Agriculture), dated February 27, 1980, issued in the original aggregate principal amount of $2,200,000 (the "Series 1979 Bonds"), and (b) Waterworks and Sewer Revenue Bonds, Series 1986 C (United States Department of Agriculture), dated May 28, 1986, issued in the original aggregate principal amount of $1,800,000 (the "Series 1986 C Bonds") (collectively, the "First Lien Bonds"); (ii) waives any requirements imposed by the Prior Bonds or the ordinances authorizing the Prior Bonds (the "Prior Ordinances"), regarding the issuance of parity bonds; and (iii) consents to any amendments made to the Prior Ordinances by the Ordinance, if any.

Cheryl L. Wolfe
Acting State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
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WEST VIRGINIA
Water Development Authority
Celebrating 35 Years of Service 1974 - 2009

July 2, 2009

City of Williamson
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith and Associates, the independent certified public accountant and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Series 1986 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (the "Series 2009 A Bonds"), in the original aggregate principal amount of $1,055,000 (the "Bonds" or the "Series 2009 A Bonds"), by the City of Williamson (the "Issuer"), under the terms of the ordinance authorizing the Bonds, senior and prior to the Issuer's outstanding Waterworks and Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 28, 1986, issued in the original aggregated principal amount of $698,295 (the "Series 1986 B Bonds" or "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

06.18.09
976580.00004

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

CITY OF WILLIAMSON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

RECEIPT FOR BOND

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

1. On the 2nd day of July, 2009, at Williamson, West Virginia, the undersigned received for the Purchaser the single, fully registered City of Williamson Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture), No. AR-1 (the "Bond"), in the principal amount of $1,055,000, dated as of the date hereof, bearing interest at the rate of 4.375% per annum, and payable in monthly installments as stated in the Bond. The Bond represents the entire above-captioned Bond issue.

2. At the time of such receipt, the Bond had been executed and sealed by the designated officials of the City of Williamson (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of $117,001, being a portion of the principal amount of the Bond. The balance of the principal amount of the Bond will be paid to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

WITNESS my signature on date first written above.

Authorized Representative

06.18.09
976580.00004

CITY OF WILLIAMSON

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,055,000

REGISTRATION BOOKS

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

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	July 2, 2009	United States Department of Agriculture	Frances Frye

06.18.09
976580.00004

SPECIMEN

CITY OF WILLIAMSON

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,055,000

No. AR-1

Date: July 2, 2009

FOR VALUE RECEIVED, the CITY OF WILLIAMSON (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION FIFTY FIVE DOLLARS ($1,055,000), plus interest on the unpaid principal balance at the rate of 4.375% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and $4.759, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

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

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

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on

February 26, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on June 25, 2009 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S (1) WATER AND SEWER REVENUE BONDS, SERIES 1979 (UNITED STATE DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 27, 1980, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 1979 BONDS"); AND (2) WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DAED MAY 28, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,800,000 (THE "SERIES 1986 B BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, THE ISSUER'S (1) WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 28, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $698,295 (THE "SERIES 1986 B BONDS"); AND (2) WATERWORKS AND SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL OF $1,840,000 (THE "SERIES 1996 A BONDS").

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF WILLIAMSON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

CITY OF WILLIAMSON

[CORPORATE SEAL]

Mayor

SPECIMEN

ATTEST:

Clerk

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $117,001	July 2, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

July 2, 2009

City of Williamson
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

City of Williamson
Williamson, West Virginia

United States Department of Agriculture
Cross Lanes, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Williamson, in Mingo County, West Virginia (the "Issuer"), of its $1,055,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A, dated the date hereof (the "Bond"), pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on February 26, 2009 as supplemented by Supplemental resolution duly adopted on June 25, 2009 (collectively the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

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

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

3. Pursuant to the Act, the Bond Legislation creates a valid first lien on the pledge of Net Revenues of the System on a parity with the Issuer's: (i) Water and Sewer Revenue Bonds, Series 1979 (United States Department of Agriculture), dated February 27, 1980, issued in the original aggregate principal amount of $2,200,000 (the "Series 1979 Bonds"); and (ii) Waterworks and Sewer Revenue

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Bonds, Series 1986 C (United States Department of Agriculture), dated May 28, 1986, issued in the original aggregate principal amount of $1,800,000 (the "Series 1986 C Bonds") and senior and prior to the Issuer's: (i) Waterworks and Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 28, 1986, issued in the original aggregate principal amount of $698,295 (the "Series 1986 B Bonds"); and (ii) Waterworks and Sewer System Refunding Revenue Bonds, Series 1996 A, dated October 1, 1996, issued in the original aggregate principal amount of $1,840,000 (the "Series 1996 A Bonds") (collectively, with the First Lien Bonds, the "Prior Bonds").

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

5. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. 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.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

06.18.09
976580.00004

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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P.O. Box 1588
Charleston, WV 25326-1588
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www.steptoe-johnson.com

Writer's Contact Information

July 2, 2009

City of Williamson
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

City of Williamson
Williamson, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Ladies and Gentlemen:

We are counsel to the City of Williamson, a municipal corporation and political subdivision of the State of West Virginia in Mingo County of said State (the "Issuer"). As such counsel, we have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond ordinance of the Issuer duly enacted on February 26, 2009 as supplemented by Supplemental Resolution duly adopted by the Issuer on June 25, 2009 (collectively, the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bond of the Issuer (the "Bond"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

We are of the opinion that:

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

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

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

4. The execution and delivery of the Bond and the consummation of the transactions contemplated by the Bond and the Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by

which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

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

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 and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, or the validity of the Bond, or the collection or pledge of the Gross Revenues therefor.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

06.17.09
976580.00004

CITY OF WILLIAMSON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and CLERK of the City of Williamson, in Mingo County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify this 2nd day of July, 2009 in connection with the City of Williamson Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of $1,055,000, and bearing interest at the rate of 4.375% per annum (the "Bond"), as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bonds has been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on February 26, 2009 as supplemented by Supplemental Resolution duly adopted on June 25, 2009, authorizing issuance of the Bond (collectively the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Ordinance when used herein. The Bond is being issued on this date to permanently finance a portion of the acquisition and construction of the Project located within the boundaries of the Issuer.

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

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the 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 Bond have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official 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 or the System since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

The Issuer has the following outstanding obligations: (i) Water and Sewer Revenue Bonds, Series 1979 (United States Department of Agriculture), dated February 27, 1980, issued in the original aggregate principal amount of $2,200,000 (the "Series 1979 Bonds"); (ii) Waterworks and Sewer Revenue Bonds, Series 1986 C (United States Department of Agriculture), dated May 28, 1986, issued in the original aggregate principal amount of $1,800,000 (the "Series 1986 C Bonds") (collectively, the "First Lien Bonds");

The Issuer also has the following outstanding obligations: (i) Waterworks and Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 28, 1986, issued in the original aggregate principal amount of $698,295 (the "Series 1986 B Bonds"); and (ii) Waterworks and Sewer System Refunding Revenue Bonds, Series 1996 A, dated October 1, 1996, issued in the original aggregate principal amount of $1,840,000 (the "Series 1996 A Bonds") (collectively with the First Lien Bonds, the "Prior Bonds").

The Series 2009 A Bonds shall be issued on a parity with the First Lien Bonds. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Bonds are met; (ii) the written consent of the Holders of the First Lien Bonds to the issuance of the Series 2009 A Bonds on a parity with the First Lien Bonds; (iii) the written consent of the Holders of the Series 1986 B Bonds to the issuance of the Series 2009 A Bonds senior and

prior to the Series 1986 B Bonds. The Series 1996 A Bonds do not require the consent of the Bondholders. 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.

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

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

City Charter

Oaths of Office of Officers and Council members

Prior Bond Ordinances

Sewer Rate Ordinance & Water Rate Ordinance

Affidavit of Publication on Rate Ordinances

Minutes on Adoption and Enactment of Rate Ordinances

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United Sates Department of Agriculture of Conditions and all amendments thereto

Public Service Commission Order

Consent of United States Department of Agriculture

Consent of the WV Water Development Authority

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "City of Williamson" and it is a municipal corporation and political subdivision of the State of West Virginia in Mingo County of said State. The governing body of the Issuer is its Council presently consisting of 4 council members and a Mayor and Clerk, all duly elected, qualified and serving, 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
A Darrin McCormick, Mayor	July 1, 2009	June 30, 2013
York Smith, Jr., Councilmember	July 1, 2009	June 30, 2013
Connie Rockel, Councilmember	July 1, 2009	June 30, 2013
Sherri Brown, Councilmember	July 1, 2009	June 30, 2013
Vacant, Councilmember	July 1, 2009	June 30, 2013

The duly elected or appointed members of the Utility Board for 2009 are as follows:

Darrin McCormick
Charlie Smith
Robert Settles
Clarence Mitchell
Rodney Smith

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

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Bond was delivered to the Purchaser at Williamson, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Bond had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

At the time of delivery of the Bond, the amount of $117,001 was received by the undersigned Mayor, being a portion of the principal amount of the Bond, the balance to be paid as acquisition and construction of the Project progresses.

The Bond is dated the date hereof and interest on advances thereon at the rate of 4.375% per annum is payable from the date of each respective advance.

The Bond and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

9. 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, 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 Bond.

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

11. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions and Commitment of the Purchaser, as amended, and the Bond Ordinance.

12. CONNECTIONS, ETC.: The Issuer will serve at least 1,460 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

13. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by the Purchaser.

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

15. 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.

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

[Remainder of Page Intentionally Left Blank]

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
Frances Frye _____	Clerk
_____ PLLC	Counsel to Issuer

06.18.09
976580.00004

CITY OF WILLIAMSON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Charles R. Roberts, Jr., Registered Professional Engineer, West Virginia License No. 10424, of E. L. Robinson Engineering Co., Charleston, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements and extensions to the sewer portion of the existing combined waterworks and sewerage system (the "Project") of the City of Williamson (the "Issuer"), to be acquired and constructed in Mingo County, West Virginia, which acquisition and construction are being financed in part by the above-captioned revenue bond of the Issuer.

I further certify that the Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm and that such system and Project are situate wholly or chiefly within the boundaries of the Issuer.

I further certify that the Project is adequate for the purposes for which it was designed and that all necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

WITNESS my signature on this 2nd day of July, 2009.

CHARLES R. ROBERTS, JR.
REGISTERED
10424
STATE OF WEST VIRGINIA
PROFESSIONAL ENGINEER

(SEAL)

E. L. ROBINSON ENGINEERING CO.

Charles R. Roberts, Jr., P.E.
West Virginia License No. 10424

06.17.09
976580.00004

Griffith & Associates, PLLC Accountants & Consultants

PROJECT CPA - USDA CERTIFICATE

June 23, 2009

City of Williamson
USDA CPA Certificate

City of Williamson
Williamson, West Virginia

United States Department of Agriculture
Beckley, West Virginia

Ladies and Gentlemen:

I, Michael D. Griffith, a Certified Public Accountant, License No. WV 003909, West Virginia, have reviewed the books and records of the City of Williamson. The City is required by its prior bond covenants to fund reserve accounts at a minimum annual deposit of 1/12 of an amount equal to one year debt service. I hereby certify that the City's debt service reserves are funded or being funded in accordance with these requirements. I also provide certification that the accounts and records of the City have been established in accordance with West Virginia Public Service Commission requirements and these accounts and records are operational.

Very truly yours,

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

MDG/dk

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

Griffith & Associates, PLLC Accountants & Consultants

(CPA Certificate)

July 2, 2009

City of Williamson
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

City of Williamson
Williamson, West Virginia

United States Department of Agriculture
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the sewer rate ordinance of the City of Williamson (the "Issuer") enacted July 24, 2006, and the water rate ordinance of the Issuer enacted April 14, 2005, and the projected operating expenses and anticipated customer usage as furnished to us by E.L. Robinson, the Consulting Engineer to the Issuer, it is our opinion that such rates and charges will be sufficient to provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 115% of the annual debt service on the Prior Bonds, as defined in the Bond Ordinance, and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture) (the "Series 2009 A Bonds"), and sufficient to make the payments into the (i) Water and Sewer Revenue Bonds, Series 1979 (United States Department of Agriculture), dated February 27, 1980, issued in the original aggregate principal amount of $2,200,000 (the "Series 1979 Bonds"); (ii) Waterworks and Sewer Revenue Bonds, Series 1986 C (United States Department of Agriculture), dated May 28, 1986, issued in the original aggregate principal amount of $1,800,000 (the "Series 1986 C Bonds"); (iii) Waterworks and Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated May 28, 1986, issued in the original aggregate principal amount of $698,295 (the "Series 1986 B Bonds"); and (vi) Waterworks and Sewer System Refunding Revenue Bonds, Series 1996 A, dated October 1, 1996, issued in the original aggregate principal amount of $1,840,000 (the "Series 1996 A Bonds) (collectively, the "Prior Bonds") Reserve Funds, the Series 2009 A Bonds Reserve Fund and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such Fiscal Year.

It is our further opinion that (i) 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, if any, are not less than 120% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds, and (ii) the Net

Michael D. Griffith, CPA, AFI *950 Little Coal River Road Alum Creek, WV 25003*
michaelgriffithcpa@verizon.net *Phone: (304) 756.3600 Facsimile: (304) 756.2911*

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, if any, are not less than 125% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,

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

MDG/dk

City of Williamson

OFFICE OF THE MAYOR

Williamson, West Virginia 25661

P. O BOX 1517

ROY M. TAYLOR
MAYOR
PHONE 235-1510

JUNE BLEVINS
CITY CLERK
PHONE 235-1510

I, June Blevins, duly appointed and acting Clerk of the City of Williamson, West Virginia, do hereby certify that the foregoing Charter of the City of Williamson, West Virginia, and amendments, is a true, correct, and complete copy of the Charter of the City of Williamson, West Virginia, and amendments.

Dated this the 18th day of January, 1978.

June Blevins
(June Blevins, City Clerk)

CHAPTER 136

ACTS OF LEGISLATURE REGULAR SESSION 1933.

AN ACT to amend and reenact chapter fifteen of the acts of the legislature of West Virginia, at the session of one thousand nine hundred five, as amended by chapter fourteen of the acts of the legislature of West Virginia, at the session of one thousand nine hundred fifteen, as amended by chapter twenty of the acts of the legislature of West Virginia of the session of one thousand nine hundred nineteen, as amended by chapter four of the acts of the legislature of West Virginia of the session of one thousand nine hundred twenty-seven, as amended by chapter twenty-one of the acts of the legislature of West Virginia of the session of one thousand nine hundred twenty-nine (municipal charters), incorporating and relating to the city of Williamson.

(Passed March 11, 1933; in effect ninety days from passage. Became a law without the approval of the Governor.)

SEC.

1. City of Williamson a body corporate; powers.
2. Corporate boundaries.
3. Number and boundaries of wards.
4. Change of ward boundaries.
5. Mayor and four councilmen to constitute council; mayor elected at large and one councilman from each ward.
6. Council to exercise corporate powers of city.
7. Appointment of officers by council.
8. Eligibility of elective and appointive officers.
9. Powers, duties and compensaton of officers to be fixed by council.
10. Council to fill vacancy in office of mayor or councilman.
11. Qualification of voters; council to conduct and canvass election; voting precincts and election supplies; registration of voters.
12. Political nominating conventions for elections hereunder; selection of city political executative committees; terms of members; filling vacancy in executive committee.
13. Dates of nominating conventions; publication of notice of; executive committees to make rules governing convention; certification to city clerk of party nominees; executive committee to fill vacancy in list of nominees; dates of first and subsequent elections hereunder; appointment and qualification of election commissioners; executive committee may furnish council with list of election commissioners; nominations by petition.
14. Oaths of officers.
15. Powers, duties and compensation of appointive officers.
16. Removal of elective officer by council.
17. Removal of appointive officers and employees by council.
18. What council journal to show.
19. Regular and special meetings of council; mayor to preside; quorum; each member entitled to one vote; member not to vote upon question in which interested; mayor to be member of council; city clerk to attend meetings but not to vote; duties of clerk; place and time of meeting of council; order of business.
20. Enumerated powers of council; franchises; building permits.
21. Condemnation proceedings by council.
22. Prevention of illegal sale of spiritous and other liquors; licenses for sale of; penalty for illegal sale of; duty of mayor and police as to sale of liquors.
23. Work on streets to pay fines.
24. License or privilege taxes.
25. Revocation of licenses.
26. Ordinances to carry enumerated and other powers into effect; limitation on amount of fine and imprisonment.
27. Street paving upon petition of prop-

itation on amount of assessment for.

28. Procedure when street paving is let to contract; assessment against property owner for; collection of assessments; sale or transfer of assessments; lien of assessments.

29. Sewering upon petition of property owners; method of paying cost of; provisions as to assessment for cost; certificates issued for cost of.

30. Assessing against property owner cost of removing snow, ice, weeds and rubbish.

31. Powers and duties of mayor.

32. Powers, duties, oath and bond of city clerk.

33. Qualifications, powers and duties of city attorney.

34. Powers, duties and salaries of chief of police and policemen.

35. Powers of chief police as ex officio constable.

36. Council to appoint chief and members of fire department; mayor to supervise; quarters and equipment for.

37. Appointment, salary and duties of city health officer.

38. Annual estimate and levy.

39. Amounts of levies and upon what laid.

40. Clerk's duties as city assessor; listing and other provisions concerning dogs.

41. Lien of city taxes, assessments, fines and penalties; delinquent real estate.

42. Clerk's duties as city collector.

43. Banks as city treasury; how city funds disbursed; bond of bank; city clerk to be city treasurer; settlement.

44. Clerk's duties as city accountant.

45. City accountant to devise proper accounting procedure.

46. Itemized sworn account for claim against city to be filed with clerk.

47. When warrants for claim against city may issue.

48. City funds, how deposited and expended; published statement of receipts and expenditures; audit of accounts of city clerk and financial affairs of city.

49. Posting or publication of financial statement and of property delinquent for taxes.

50. Bonds of all officers or officials receiving city funds; form of bonds; action on; amount of for specified officials; premiums on paid by city.

51. Oaths of office.

52. Annual salaries of city officials; councilmen not to be interested in furnishing supplies or performance of any contract with city.

53. When terms of present city officials cease.

54. Provisions for provisional government; governor to appoint mayor and councilmen; when terms of appointees begin and expire; terms of elective mayor and councilmen.

55. Existing contracts of city to continue in force; public work begun to be continued and completed.

56. Present ordinances and resolutions to continue in force until repealed.

57. Inconsistent acts repealed; provisions of act separable and several; if any part is invalid not to affect remaining provisions of act.

BE IT ENACTED BY THE LEGISLATURE OF WEST VIRGINIA:

That chapter fifteen of the acts of the legislature of West Virginia of the session of one thousand nine hundred five, as amended by chapter fourteen of the acts of the legislature of West Virginia of the session of one thousand nine hundred fifteen, as amended by chapter twenty of the acts of the legislature of West Virginia of the session of one thousand nine hundred nineteen, as amended by chapter four of the acts of the legislature of West Virginia of the session of one thousand nine hundred twenty-seven, as amended by chapter twenty-one of the acts of the legislature of West Virginia of the session of one thousand nine hundred twenty-nine (municipal charters), incorporating and relating to the City of Williamson, be amended and reenacted to read as follows:

Section 1. That the inhabitants of that portion of Mingo county, in the state of West Virginia, included in the boundaries described in section two of this act, be and they are hereby made a municipal corporation by the name of "The City of Williamson," by which name they shall have perpetual succession and a common seal, and by which they may sue and be sued, plead and be impleaded, contract and be contracted with, and purchase and otherwise acquire and hold real estate and personal property needed in the discharge of the functions of government conferred by this charter.

Sec. 2. The corporate boundaries of the said city shall be as follows; that is to say: Beginning at the mouth of Sycamore creek; thence up said creek to the first left hand fork thereof; thence with the said left hand fork to the top of the ridge; thence up said ridge to the main ridge dividing the waters of Tug river and Buffalo creek, and with the latter ridge to a point on the dividing lines of the lands of the Williamson Mining and Manufacturing company and Thomas Stepp's estate; thence westward with said dividing lines to the lands of V. A. Williamson; thence with the lines dividing the lands of said V. A. Williamson and Thomas Stepp's estate to Tug river; thence up Tug river with the center thereof to the place of beginning.

BOUNDARIES OF WARDS

Sec. 3. The City of Williamson shall be divided into four wards, the boundaries of which shall be as follows:

FIRST WARD

All of the following described boundary shall constitute the first ward of said city, to-wit:

Beginning at the mouth of Sycamore creek and running with the corporation line of said city of Williamson up Sycamore creek to the first left hand fork thereof; thence with said left hand fork and the corporation line to the top of the ridge between Williamson branch and Sycamore creek; thence down said ridge with the meanders thereof and with the dividing lines of the Lawson heirs and the Williamson Mining and Manufacturing company to Tug river; thence up Tug river to the place of beginning.

SECOND WARD

All the following described boundary shall constitute the second ward of said city, to wit:

Beginning at the intersection of Harvey street and Tug

20 river; thence up Harvey street with the center thereof to Logan
21 or Joseph street at the intersection of Alderson street; thence
22 up Alderson street with the center thereof to the top of the
23 ridge at the corporation line; thence with the corporation line
24 around said ridge to the line of the first ward, and with the
25 western line of said first ward, it being the line between the
26 lands of the Williamson Mining and Manufacturing company
27 and the Lawson heirs, to Tug river; thence down Tug river to
28 the place of beginning.

29 THIRD WARD

30 All the following described boundary shall constitute the
31 third ward of said city, to-wit:
32 Beginning at the intersection of Harvey street and Tug river
33 and running with the western boundary lines of the second
34 ward to the main dividing ridge and corporation line of said
35 city; thence in a westerly direction and running with said
36 corporation line to the intersection of the point between West
37 Williamson and the main City of Williamson; thence down said
38 point to the West Williamson cemetery line; thence with the
39 northern line of said cemetery and running southeastwardly
40 to Tug river; thence up Tug river to the place of beginning.

41 FOURTH WARD

42 All the following described boundary shall constitute the
43 fourth ward of said city, to-wit;
44 Beginning at the corporation line at the intersection of
45 Tug river and the line between the lands of Thomas Stepp and
46 V. A. Williamson; thence running with the corporation line to
47 the top of the rdge and with the ridge and corporation line
48 to the line of the third ward, and with the western line of said
49 third ward to Tug River; thence down Tug river to the place
50 of beginning.

Sec. 4. The council of the City of Williamson shall have the
2 power and authority to change the boundary lines of the re-
3 spective wards from time to time; but no changes shall be made
4 in the boundary lines of said wards until at least three weeks'
5 notice of the proposed change shall have been given by the
6 council, by publication of notice thereof in a newspaper pub-
7 lished and of general circulation in said City of Williamson,
8 once each week for three successive weeks. Said notice shall give
9 the date on which the council will pass on the proposed changes
10 and a brief statement of the changes proposed. Any changes
11 made under the provisions of this section shall be by ordi-

12 nance passed and adopted in the manner hereinafter set forth
13 in this charter.

Sec. 5. The municipal authorities of the city shall consist
2 of a mayor and four councilmen, who shall constitute and
3 be known as "the council of the City of Williamson." One
4 councilman shall be elected by the voters of each of the re-
5 spective wards and the mayor shall be elected at large.

Sec. 6. All the corporate powers and functions pertaining
2 to the said city shall, except as otherwise provided herein,
3 be exercised by its council, or under its authority, in the cor-
4 porate name of the city.

Sec. 7. The council of the city shall appoint a city attorney,
2 a city clerk, and a superintendent of the water department, as
3 well also as other subordinate officers herein provided for, and
4 also all other necessary officers and employees of and for the
5 city as may be required, except wherein the selection of any of
6 them may be hereinafter otherwise prescribed: And, provided
7 further, That the appointment of any person as superintendent
8 of the water department shall not become effective unless and
9 until the department of health of the state of West Virginia
10 shall have approved such appointment of the person selected
11 by the council.

Sec. 8. No person shall be eligible to hold the office of
2 mayor, councilman, or any subordinate office, unless at the
3 time of his election or apportionment he is legally entitled to
4 vote in the city election for mayor and members of the coun-
5 cil.

Sec. 9. The powers, duties and compensation of all officers
2 shall be established by ordinance, subject to the limitations
3 herein prescribed. But the compensation pertaining to any
4 office shall not be increased or diminished to affect any officer
5 subsequent to his election or appointment and during the
6 term for which he was elected or appointed.

Sec. 10. Whenever a vacancy shall occur from any cause
2 in the office of mayor or councilman, the council shall proceed
3 to elect a properly qualified person to fill such vacancy, and
4 the person so elected to fill such vacancy shall hold such office
5 until the next regular city election and until the election and
6 qualification of his successor.

Sec. 11. Every citizen of this state, who has been a bona
2 fide resident of the city for sixty days next preceeding any city

3 election, and who is otherwise legally entitled to vote under
4 the constitute and laws of this state, and who has been duly
5 registered as herein provided for, shall be entitled to vote at
6 such city election at the precinct in which they respectively
7 reside; but no person shall be deemed a resident of such city
8 by reason of being stationed therein for any temporary pur-
9 pose.

10 The council of the city is hereby authorized and directed to
11 hold and conduct all elections provided for herein, and to can-
12 vass and certify the returns therefrom, and to try and decide
13 all contests in the manner and form required by general law so
14 far as applicable. And it shall be the duty of the council of the
15 city to provide by ordinance for the creation and establish-
16 ment of voting precincts in said city and in each ward thereof,
17 and to define their boundaries; to supply and furnish to the
18 officers holding and conducting such elections at each of said
19 precincts all necessary supplies and equipment, and in the
20 exercise of the power herein conferred upon the council it shall
21 conform as nearly as practicable to the general law of this
22 state governing the holding and conducting of elections and
23 certifying the result thereof. The council to exercise and per-
24 form all of the duties in relation to elections in said city en-
25 joined upon the county courts by general law, and the clerk
26 of said city to perform the functions and duties enjoined upon
27 the clerks of the county and circuit courts in relation to elec-
28 tions by general law.

28-a It shall be the duty of the council of the city to provide by
29 ordinance for the registration of the voters of said city, such
30 ordinance to conform as nearly as may be to the general laws
31 of the state providing for the registration of voters; except
32 that the duties imposed by general law upon the county court
33 shall be performed by the council of the city, and the duties
34 imposed upon the clerks of the county and circuit courts by
35 general law shall be performed by the clerk of the city.

Sec. 12. At least thirty days before the time fixed for
2 holding the first election hereunder, each of the two political
3 parties which cast the greatest number of votes in the last
4 regular election held in the said city, shall cause a meeting to
5 be held of the members of each of said parties, at such time and
6 place as may be fixed by the chairman of the executive
7 committees of the county; and at which meeting each of said
8-9 parties shall elect a city executive committee for each of said
10 parties in said city, such executive committee to be composed
11 of one man and one woman from each of the voting precincts

13 of said city committee, from the city at large, such chairman, a
14 secretary, and a treasurer to be elected in addition to the said
15 two members from each of said precincts.

16 And thereafter, at each convention held in said city under
17 the provisions of this act, held for the purpose of nominating
18 candidates for mayor and councilmen, each of the said political
19 parties shall elect a city executive committee, composed of the
20 number herein specified.

21 The members of the city executive committees chosen first
22 after the passage of this act shall hold office until the regular
23 convention is held in said city by each of said parties for the
24 purpose of nominating candidates for the offices of mayor and
25 councilmen. And thereafter the members of such city executive
26 committees shall hold office for the period of three years.

27 If a vacancy occur in the office of committeeman or com-
28 mitteewoman, the remaining members of the committee may
29 elect a successor, who shall fill the unexpired term until the
30 next regular convention held for the purpose of nominating
31 candidates for elective city offices.

Sec. 13. On the second Tuesday in April, one thousand nine
2 hundred and thirty-four, and on the second Tuesday in April of
3 every third year thereafter, each of the said political parties
4 shall hold a convention of its members in said city, for the pur-
5 posee of nominating a candidate of that party for the office of
6 mayor of said city, and four candidates for the office of coun-
7 cilman.

8 But before holding such convention, the city executive com-
9 mittee of every such party holding such convention shall cause
10 notice of the date, hour and place of holding such conven-
11 tion to be published in two seperate newspapers published in
12 said city, such notice to be published once each week for two
13 consecutive weeks prior to the time of holding such conven-
14 tion.

15 The city executive committee of each party so holding such
16 convention shall have authority to make such rules and regula-
17 tions governing the holding of such convention as it may deem
18 proper, including all parliamentary rules and regulations gov-
19 erning the deliberations of such convention.

20 And within five days after the holding of such convention,
21 the city executive committee of each party shall cause to
22 be furnished to the city clerk a complete list of the persons
23 nominated by that party for the offices of mayor and council-
24 men, such list so furnished to be duly sworn to and attested

by the chairman and the secretary of such city executive committee.

And in the event that a vacancy occur in the list of such nominees, after such convention has been held, then the said city executive committee shall have authority to designate some other qualified citizen of the city as such nominee, the name of such nominee or nominees to be certified in like manner to the said city clerk.

The first election to be held in said city under the provisions of this charter shall be held on the Third Tuesday in May, in the year one thousand nine hundred thirty-four, and thereafter on the third Tuesday in May of every third year thereafter.

On the first Tuesday in May, one thousand nine hundred thirty-four, and on the first Tuesday in May, of every third year thereafter, the council of the city shall hold a meeting for the purpose of making all arrangements and preparations for the holding of such election. And at such meeting the council of the city shall appoint three qualified voters of the city as commissioners of election for each voting precinct in said city. Said commissioners of election shall be persons of good standing and character, and not addicted to drunkenness, and not more than two of said commissioners of election shall belong to the same political party. If at any time during said meeting, or prior thereto, the city executive committees of the two political parties which cast the greatest number of votes in the last preceding regular city election, shall present to said city council a writing signed by the chairman of such executive committee, giving a list of persons from that political party as such commissioners of election, then in appointing such commissioners of election the city council shall appoint said commissioners of election from the list or lists so presented to the city council. Every such writing so presented shall be filed, preserved, and kept by the clerk of the council in his office.

The city council shall have authority to provide all necessary and suitable means, equipment, and appliances for the holding of such elections, and may adopt all necessary rules, ordinances, and regulations governing the same as may appear proper.

And in addition to the methods prescribed for the nominations of candidates, candidates for the offices of mayor and councilmen may be nominated as follows, that is to say: if, not less than fifteen days prior to the date of the election, a petition signed by not less than three hundred of the qualified voters of the city shall be presented and filed with the clerk of the city, asking that the name or names of candidates be placed

3 such special meetings as may from time to time be called as
4 hereinafter provided for.
5 The mayor shall have authority to call any special meeting
5-a of the council; and likewise a special meeting of the council
5-b may be called upon a joint notice of not less than three members
6 of the council; but before holding such special meeting, the
7 mayor, or if called as aforesaid by not less than three members
8 of the council, then such three members shall cause the city clerk
9 to post notice thereof at the front door of the municipal build-
10 ing of the city, at least twenty-four hours prior to such special
11 meeting, and to give personal notice to each member of the
12 council at least twelve hours in advance thereof where possible.
13 All regular and special meetings of the council shall be pre-
14 sided over by the mayor, and in his absence by a mayor pro tem
15 to be chosen from their number by the councilmen present;
16 four members of the council present shall be necessary in order
17 to constitute a quorum for the transaction of business.
18 Each member of the council shall be entitled to one vote.
19 But no member of the council, or the mayor, shall vote upon or
20 take part in the consideration of any question, measure, or
21 proposition in which he is or may be interested otherwise than
22 as a resident of the city.
23 The mayor shall be a member of the city council, and shall
24 be entitled to one vote only as a member thereof. The clerk
25 of the city, chosen in the manner hereinafter provided, shall
26 attend upon all meetings of the council, but shall be entitled
27 to no vote, nor shall he take part in any consideration or dis-
28 cussion of the council upon any matter, except when called upon
29 or invited by the council to take part therein. He shall fur-
30 nish any and all data or information that may be desired by
31 the members of the council relating to the business of the city.
32 The clerk shall have charge of all record books, minute books of
33 the council and city, and shall also have charge of the council
34 journal. He shall faithfully and accurately record the minutes
35 and proceedings of all meetings of the council, which shall be
36 recorded in the council journal, all such records of the council
37 journal to be duly authenticated and attested by the mayor and
38 the city clerk, as hereinafter provided. And the said clerk
39 shall in all matters act as the secretary to the council.
40 All meetings of the council shall be held in the council or
41 council chamber provided therefor in the municipal building of
42 said city, and shall be held at such hour of the day as may be
43 designated by the council. And at its first meeting, after the
44 qualification of the first mayor and councilmen holding office
45 hereunder, and thence at the first meeting of the mayor and

[illegible] after each election hereunder, the council of the city shall fix upon and adopt a certain hour or time of the day at which all meetings of the council shall be held. But such hour so adopted shall be subject to change by vote of the members of the council. The following schedule or order of business shall be followed and observed by the council at their said meetings:

FIRST: The mayor, or mayor pro tem, shall direct the clerk of the council to call the roll of the members of the council, who shall answer to their respective names as called, in the council journal the clerk shall record the names of the members present and the names of the members absent.

SECOND: The mayor, or mayor pro tem, shall call upon the clerk to read aloud from the council journal the minutes of the previous meeting of the council, and in no event shall the full and accurate reading thereof be dispensed with; and after the reading thereof, the minutes of the previous meeting may by vote or action of the council be corrected, if proper so to do, and otherwise the same shall stand approved as read. Immediately after which the said minutes shall be thereupon duly attested by the mayor and clerk.

THIRD: The council shall thereupon take up for consideration, discussion, and action, if necessary, all uncompleted or unfinished business not previously disposed of or acted upon.

FOURTH: The council shall thereupon take up for consideration, discussion, and action, if necessary, such new matters or new business as may come before the council.

FIFTH: The council shall thereupon take up such miscellaneous matters as may come before it, including any matters that may be brought before it by any citizen or resident of the city or other person. And any person desiring to bring any matter to the attention of the council shall in all cases be given a full opportunity to present such matter.

Sec. 20. The council of said city shall have power to lay off, vacate, close, open, alter, grade, build and keep in good repair roads, streets, alleys, pavements, sidewalks, crosswalks, viaducts, bridges, drains and gutters therein for the use of the citizens and of the public, and to improve and light the same, and to keep the same free from obstructions of every kind; to regulate the width of pavements and sidewalks on the streets and alleys, and to order the pavement, sidewalks, footways, drains and gutters to be kept in good order, free and

[illegible] by the owners or occupants of the real property next
11 adjacent thereto; to establish and regulate markets, prescribe
12 the time for holding the same, provide suitable and convenient
13 buildings therefor, and prevent the forestalling or regrad-
14 ing of such markets; to prevent injury or annoyance to the
15 public or to individuals from anything dangerous, offensive
16 or unwholesome; to prohibit or regulate slaughter houses and
17 soap factories within the city limits, or the exercise of any
18 unhealthful or of offensive business, trade of employment; to
19 abate all nuisances within the city limits or to require and
20 compel the abatement or removal thereof, by or at the expense
21 of the owner or occupant of the ground on which they are placed
22 or found; to cause to be filled up, raised or drained by or at the
23 expense of the owner any city lot or tract of land covered or
24 subject to be covered by stagnant water; to prevent horses, hogs,
25 cattle, sheep or other animals and fowls of all kinds from going
26 or being at large in such city, and as one means of prevention,
27 to provide for impounding and confining such animals and
28 fowls, and, upon failure to reclaim for the sale thereof; to
29 protect places of divine worship and to preserve order in and
30 about the premises where and when such worship is held; to
31 regulate the keeping of gunpowder and other inflammable
32 and dangerous substances; to provide and regulate any build-
33 ing of houses or other structures, and for the making and
34 maintaining of division fences by the owners of adjoining
35 premises, and the proper drainage of city lots, or other par-
36 cels of land, by or at the expense of the owner or occupant
37 thereof; to provide against damage or danger by fire; to
38 punish for carrying deadly weapson, and for assaults and bat-
39 teries; to prohibit loitering or visiting houses of ill fame, or
40 loitering upon the streets; to prevent lewd and lascivious con-
41 duct, the sale or exhibition of indecent pictures or other rep-
42 resentation; the desecration of the Sabbath day; profane
43 swearing; the illegal sale of all intoxicating liquors, drinks,
44 mixtures and preparations, beer, ale, wine or drinks of like
45 nature. To protect the person of those residing or being within
46 the city; to build or purchase, or to lease and to use, a suitable
47 place within or near said city for the safe-keeping or punish-
48 ment of persons, caught with, or convicted of the violation of
49 laws, and ordinances, to provide for the employment of per-
50 sons convicted of the violation of laws and ordinances, or
51 who may be committed in default of payment of fines, penal-
52 ties or costs and who are otherwise unable to discharge the
53 same, by putting them to work for the benefit of the city,
54 and to use such means to prevent their escape, while at work,

99 keeping of poker rooms and gaming tables and to establish
100 voting precincts.

101 The council of said city shall have the power and authority
102 to control and regulate the construction, and repairs of all
103 houses and other buildings within the said city; to provide
104 for the granting of building permits; to cause the removal of
105 unsafe walls or buildings; and may, upon the petition of the
106 person or persons owning the greater amount of frontage
107 of the lots abutting on any street between any two cross
108 streets or in any square of said city, prohibit the erection on
109 such street, or in such square of any building, or any addi-
110 tion to any building, more than ten feet high, unless the
111 outer walls thereof be made of brick and mortar, or other
112 fireproof material; and to provide for the removal of any
113 building or addition which shall have been erected contrary
114 to such prohibition, at the expense of the owner or owners
115 thereof.

Sec. 21. The council shall have the right to institute pro-
2 ceedings in the name of the city for the condemnation of real
3 estate for the use of roads, bridges, streets, alleys, drains,
4 public buildings and other grounds, including parks and seme-
5 teries, and sites for public libraries for the use of the city;
6 and the manner of procedure shall, as nearly as practicable,
7 conform to the provisions of the code of West Virginia, and
8 the expenses thereof shall be borne by the city.

Sec. 22. The council shall have full power to make and en-
2 force ordinances for the prevention of the illegal sale of all
3 spirituous, intoxicating, malt and vinous liquors within the city.
4 No license for the sale thereof shall be issued or granted
5 except in such cases as may be permitted by the constitution
6 of the United States, the constitution of the state of West
7 Virginia, and the laws relating thereto.

8 The council shall have the authority to prescribe by ordi-
9 nance such fines, penalties, and terms of imprisonment for the
10 violations of such ordinances relating to the illegal sale of such
11 liquors, as may appear advisable to the council, such fines and
12 penalties to be the same as are prescribed by the laws of this
13 state for violations of the state laws, relating to intoxicating
14 liquors.

15 The mayor of the city, and the members of the police depart-
16 ment shall be charged with the enforcement of all such ordi-
17 nances prohibiting the sale of such liquors, and the mayor

18 may impose fines and penalties for violations of the ordinances
19 of the city relating to the sales of liquors as aforesaid.
20 Any and all fines so collected as aforesaid shall be paid into
21 the treasury of the city, and the mayor shall keep an accurate
22 record of all cases arising by reason of the violation of such
23 ordinances.

Sec. 23. The council of the city shall have authority to
2 enact all such proper ordinances as it may deem advisable, re-
3 lating to the working of prisoners in the city jail upon the
4 city streets, or at such other city work as may be directed.
5 And the council shall have authority to provide by ordi-
6 nance that in any case where a person may be fined for viola-
7 tion of the laws or ordinances of the city, and in the event of
8 the failure to pay such fines, then the person or persons may
9 be sentenced to work upon the streets of the city, or at such
10 other work of the city as may be ordered by the mayor.
11 And the council shall have authority to enact any and all
12 proper ordinances providing that where any person or persons
13 may be sentenced to confinement in the city for violations of
14 any laws or ordinances of the city, then such person or per-
15 sons may be worked upon the streets of the city, or at other
16 city work, during the time for which they were sentenced to
17 confinement.
18 And the council shall have authority to make and enforce
19 any and all proper ordinances relating thereto.

Sec. 24. The council in its discretion shall be vested with
2 authority to impose license or privilege taxes payable to the
3 city, upon such businesses, professions, occupations, or enter-
4 prises as the council may deem proper, and to make and en-
5 force all reasonable ordinances and regulations respecting the
6 same: Provided, however, That nothing herein contained shall
7 be in conflict with the constitution or laws of this state or of the
8 United States of America.

Sec. 25. The council may revoke any license granted by the
2 city, where license is required, in order to conduct the busi-
3 ness of the licensee, upon good cause shown, but the person
4 holding the license shall have reasonable notice of the time
5 and place of hearing, as well as the cause alleged, and he shall
6 be entitled to be heard in person or by counsel in opposition
7 to such revocation.

Sec. 26. To carry into effect these enumerated powers and
2 all others by this act or by general law conferred, or which
3 may hereafter be conferred upon the said city or its council,
4 or any of its officers of said council shall have and possess

5 full authority to make, pass and adopt all needful ordinances,
6 by-laws, orders and resolutions, not repugnant to the con-
7 stitution and laws of the United States or of this state, and to
8 enforce any or all of such ordinances, by-laws, orders or resolu-
9 tions, by prescribing for a violation thereof, fines and penalties
10 and imprisonment in either the county jail of Mingo county
11 or the city prison, if there be one; but no fine shall exceed
12 fifty dollars, and no term of imprisonment shall exceed ninety
13 days. Such fines and penalties shall be imposed and recovered
14 and such imprisonment inflicted and enforced, by and under
15 the judgement of the mayor of said city; or, in case of his ab-
16 sence, or inability to act, of one of the councilmen, appointed
17 for the purpose by the council.

Sec. 27. Upon the petition, in writing, of the persons own-
2 ing the greatest amount of frontage of the lots abutting on any
3 street or alley, between any two cross streets, or between a
4 cross street and an alley, the council of the city, by a lawful
5 majority thereof, may order such part of any street or alley
6 to be paved between the sidewalks with cobblestone, brick,
7 Belgian blocks, asphalt, or other suitable material, from one
8 of such cross streets or alleys to the other, under such regula-
9 tions as may be fixed by ordinance duly passed by the council;
10 two-thirds of the cost of such paving shall be assessed to the
11 owners of the lots or fractional parts of lots abutting on that
12 part of the streets or alleys so paved in proportion to the
13 distance such lot or part of a lot abuts on such street or alley,
14 and the remaining one third of the cost of such paving shall
15 be paid by the city. In making such assessments the basis
16 shall be the cost of paving that part of the street or alley on
17 which the property lies, included between the adjoining cross
18 streets or alleys, and the amounts assessed against the owners
19 of each lot or fractional part of a lot, shall be in the propor-
20 tion which the frontage of such lot or part of lot bears to the
21 whole cost of paving said street or alley between said cross
22 streets or alleys as aforsesaid; and the same may be collected
23 in the manner provided herein for the collection of city taxes:
24 Provided, however, That the city councilmen of said city may,
25 by lawful majority thereof, order that the amounts so assessed
26 against owners of the lots or fractional parts of lots be paid
27 in five annual payments as follows, that is to say, one-fifth
28 of said amount, together with interest from date of comple-
29 tion of work upon the whole amount assessed, shall be paid
30 into the city treasury before the first day of January next
31 after said work is completed, and a like one-fifth together with

32 interest for one year upon the whole amount remaining unpaid
33 on or before the first day of January in each year thereafter
34 until all has been paid: Provided, further, That no assessment
35 to the owners of such lots or fractional parts of lots abutting
36 on such street or alley shall exceed fifty percentum of the rea-
37 sonable cash value of such lots or fractional part thereof.

Sec. 28. When the paving of any street, alley or portion
2 thereof shall have been let to contract and the work done as
3 provided in the foregoing section, it shall be the duty of the
4 engineer of said city to cause the several frontages abutting
5 thereon to be measured, and to calculate the assessment upon
6 each and every owner so abutting and to certify the same
7 to the council, showing the proper amount to be determined,
8 as provided in the foregoing plan. It shall be the duty of
9 the council to examine and compare such assessment, amounts
10 and names so certified to it, and thereupon give notice by pub-
11 lication once a week for two consecutive weeks in some news-
12 paper of general circulation in said city, that an assessment
13 under this act is about to be made against the abutting prop-
14 erty for paving or improvements done on said streets or alleys,
15 describing the location of such paving or improvements, and
16 any owner or owners thereof shall have the right to appear
17 before said council, within two weeks from the first publica-
18 tion thereof, and move to correct an apportionment or as-
19 sessment excessive or improperly made as charged, which cor-
20 rection said council shall have the power to make according
21 to the intent of this act, and if found to be correct or when
22 corrected by the council as aforsaid, it shall enter the same,
23 together with a description of the lots or lands as to loca-
24 tion, frontage, depth and ownership so far as the same may be
25 ascertained, upon its records and shall enter in its records
26 that such owners and lots be assessed and chargeable with the
27 amount so ascertained to be borne by them respectively; and
28 when so approved, certified and entered on record the same
29 shall be and constitute an assessment against said owners and
30 lots for such respective amounts. And it shall be the duty of
31 the council to immediately certify such assessments to the
32 city clerk for collection as herein provided, and a copy of
33 said order shall be certified by the city clerk to the clerk of
34 the county court of Mingo county, who shall record and index
35 the same in the proper trust deed book in the name of each
36 person against whose property assessments appear therein.
37 To each of such installments of assessments remaining unpaid
38 in the city clerk's hands on the day herein specified for the
39 payment thereof, a penalty of ten percentum on the principal

40 sum shall be added and any assessment so remaining unpaid
41 in the city clerk's hands on such day shall be taken upon such
42 settlements had with the city clerk on such dates, and there-
43 upon and assessment shall be collected with the penalty added
44 thereto by the said city clerk on such dates, and thereupon
45 such assessment shall be collected with the penalty added there-
46 to by the said city clerk, and payment thereof enforced in all
47 respects as provided for the collection or taxes due the city,
48 and they shall be a lien upon the property liable therefor the
49 same as taxes, which lien shall be enforced in the same man-
50 ner as provided for the collection of taxes. Said lien shall
51 have priority over all other liens except those for taxes due
52 the state and shall be on a parity with taxes and assessments
53 due the city. Whenever all such assessments shall be paid
54 in full the city clerk shall deliver to the party paying the
55 same a release of the lien therefor, which may be recorded
56 in the office of the clerk of the county court of said county as
57 other releases of liens, and whenever such assessments shall
58 not be in the hands of the city clerk for collection, but the same
59 shall be shown to the satisfaction of the city auditor or other
60 official performing the duties of auditor, to have been paid in
61 full to any officer entitled to receive the same, such auditor or
62 the mayor may in like manner execute such release.
63 In all cases where an assessment is made upon the property
64 abutting in the street or alley improved in accordance with
65 the provisions hereof the city council may, by resolution, en-
66 tered of record, sell, assign and transfer to any person or
67 persons, for a cash consideration, all or any of the assessments
68 perfected as provided for in this section and apply the amount
69 received therefrom to the costs of such improvements, but no
70 sale and assignment shall be made until either bonds or certi-
71 ficates of indebtedness shall have been issued for such assess-
72 ment which shall be described in detail in the notice of the
73 lien thereof to be recorded in the trust deed record in the
74 office of the clerk of the county court. But no sales or trans-
75 fer of such assessment shall be a greater discount than five
76 percentum of the aggregate sum represented by said sale.
77 When authorized to do so by the council, the mayor may make
78 an assignment and transfer assessments so evidenced by such
79 bonds or certificates as aforesaid, and when so made and re-
80 corded, in the trust deed books in the office where said assess-
81 ments are recorded, the purchaser of such assessments shall be
82 and remain until the payment thereof subrogated to all the
83 rights and remedies, without recourse of said city, as were ob-
84 tained by recording and assessments in the first instance, and

85 said commission may issue against each of the several properties
86 upon which said assessments have been made, bonds or certifi-
87 cates of indebtedness in denomination and corresponding to the
87-a annual sum to be paid on each of the properties so assessed and
88 the assessments on said properties shall, when so made and
89 recorded, remain and be a lien thereon until all such bonds,
90 or certificates of indebtedness are discharged. The lien cre-
91 ated by such assessments may be released as hereinbefore pro-
92 vided, and, in addition thereto, upon presentation to the clerk
93 of the county court all the bonds or certificates issued there-
94 under, as to any specific real estate therein described or lo-
95 cated, showing that the same have all been paid, such clerk
96 is hereby empowered to release the lien of such assessment as
97 to any such real estate by noting a release thereof on the
98 record of the lien as to such real estate on the margin of the
99 deed of trust book where the same is recorded, and such an-
100 notation by such clerk shall have the effect to release such real
101 estate from such lien as effectively as a regularly executed and
102 recorded release thereof. The proceeds from the sale of such
103 bonds or certificate of indebtedness shall be applied to the
104 payment of the indebtedness incurred in making the improve-
105 ments on account of which such bonds or certificates of in-
106 debtedness were issued.

Sec. 29. In addition to the methods by the foregoing sec-
2 tions provided for the payment of the cost of construction and
3 improvement of the streets upon the petition in writing of the
4 persons owning the greatest amount of frontage of the lots
5 abutting on any street or alley or right-of-way or easement
6 between any two cross streets or between a cross street and an
7 alley, the council may order any sewer constructed, recon-
8 structed, and laid in any street, alley or any right-of-way or
9 easement, or portion thereof, and the commission may order to
10 be issued a certificate for each installment of the amount as-
11 sessed to be paid by the owner of any lot or fractional part
12 thereof abutting the street, alley or right-of-way or easement
13 or portion thereof, in which such sewer is laid. The amount
14 specified in said assessment shall be a lien as aforesaid in the
15 hands of the holder of such certificate upon such abutting lot
16 or portion thereof, and such certificate shall draw interest from
17 the date of such assessment and the payment may be enforced
18 in the name of the holder of such certificate by proper suit
19 in equity in any court having jurisdiction to enforce such lien;
20 the council shall fix the amount of such assessment, advertise
21 for bids and do all other things in connection therewith as is

22 provided by the foregoing sections, except (1) that the amount
23 of such certificate shall include two-thirds of the cost of such
24 improvement (the remaining one-third to be paid by the city),
25 and, (2) when a sewer is completed, the cost of which is to be
26 paid by the issuance of certificates, payment is to be made by
27 such land owner on either side or such portion of a street,
28 alley, right-of-way or easement in which such sewer is laid in
29 such proportion as such frontage bears to the total frontage of
30 all lands so abutting on such street, alley, right-of-way or ease-
31 ment. In case of a corner lot, frontage is to be measured along
32 the longest dimensions thereof abutting on such street, alley,
33 right-of-way or easement in which such sewer is laid. Any lot
34 having a depth of two hundred feet or more and fronting on
35 two streets, alleys, right-of-way or easement, one in front and
36 one in the rear of said lot shall be assessed on both of said
37 streets, alleys, rights-of-way or easement if a sewer is con-
38 structed in both of such streets, alleys, right-of-way or ease-
39 ments. Where a corner lot has been assessed on the end it shall
40 not be assessed on the side, and when it is assessed on the side,
41 it shall not be assessed on the end. (3) The cost of a sewer
42 system shall be calculated in every respect in the same manner
43 as the cost of construction of a single sewer, except that such
44 a system shall be deemed to include all elements of the system
45 which serve to drain a definite drainage area as specified in the
46 order to the council directing the work to be done, and the
47 owners of property abutting upon either side of such portion
48 of a street or right-of-way in which any part of such system is
49 laid shall be assessed in the proportion that the frontage of his
50 land abutting bears to the total frontage of all lands so abut-
51 ting on such street or right-of-way. Sewerage certificates shall
52 be issued in such number of installments as the council may de-
53 termine, the aggregate amount of such certificates to be pay-
54 able in not less than one nor more than five years, and to be
55 divided in as nearly equal installments as practicable. Nothing
56 contained in this act shall be construed as imposing a time
57 limit upon the enforcement by appropriate suit of any lien
58 for public improvements, heretofore, or hereafter created.
59 Certificates, authorized by this and the preceding sections
60 may be issued and sold or negotiated to the contractor doing
61 the work, or to any other person if the council deem it expedi-
62 ent: Provided, That the city in issuing such certificates shall
63 not be held as guarantor or in any way liable for payment
64 thereof, except on the direct action of the council expressed
65 by resolution of record before sale.
66 Certificates so issued shall contain a provision to the effect

that in the event of default in the payment of any one of said certificates when due, and said default continuing for a period of sixty days, then all unpaid certificates shall become due and payable and the holder of said certificates may proceed to collect all of such unpaid certificates in the manner hereinbefore provided. Certificates issued in pursuance of this act shall be negotiable at any bank in said city.

The owner of the land or lot of land assessed under this act may at any time anticipate and pay such assessment or certificate with accrued interest thereon.

Sec. 30. The councilmen shall have power to provide by ordinance for assessing against abutting property the cost of removing from the sidewalks all accumulations of snow and ice and for assessing against the property the cost of cutting and removing therefrom noxious weeds and rubbish.

Sec. 31 The mayor shall be the presiding officer of the council, except that in his absence a mayor pro tem may be chosen. He shall exercise all such powers as are conferred and perform all duties imposed upon him by this charter, by the ordinance of the city, as well as by the laws of the state, not in conflict herewith. He shall be recognized as the official head of the city by the courts for the purpose of serving civil processes; by the government for the purposes of military law; and for all ceremonial purposes; and by virtue of his said office shall be the administrative head of the municipal government and shall be responsible for the efficient administration of all departments. He shall be required to:

(a) Attend all meetings of the council.

(b) Recommend to the council such measures as he may deem necessary or expedient.

(c) Keep the council fully advised as to the financial condition and needs of the city.

(d) Perform such other duties as may be prescribed by this charter, or be required of him by ordinance or resolution of the council.

(e) Be and he is hereby authorized and empowered to exercise all the duties and functions of a justice of the peace in criminal cases, but before doing so, he shall qualify before the county court and give the bond required of justice of the peace.

The mayor shall have the authority to suspend from office any appointive officer or employee of the city, and at the first regular meeting of the council after such suspension, the council shall take up and consider the matter of such suspension; and upon consideration of such suspension by the council, the

31 council shall have authority to declare such suspension per-
32 manent and discharge the officer or employee; or, the council
33 may terminate such suspension and restore such officer or em-
34 ployee to his position, but the office or position of an official or
35 employee so suspended shall not be vacant until so declared by
36 the council.
37 The mayor shall be charged with the enforcement of the laws,
38 ordinances and regulations of the city.

Sec. 32. The council of the city shall elect and employ a
2 city clerk, but no member of the council of the city shall be
3 eligible to hold the office of city clerk. The city clerk shall
4 be the clerk of the council, and in addition thereto shall do and
5 perform any and all of the matters and things required of and
6 imposed upon him by the provisions of sections forty, forty-
7 two, forty-four, forty-five, forty-six, forty-seven and forty-
8 eight of this charter; and no other assessor or collector shall be
9 elected or appointed for the said city; he shall act as clerk
10 to and secretary for the council, shall keep in his custody the
11 record books and minutes of the meetings of the council,
12 shall take down all minutes of the meetings of the council, and
13 record them faithfully and accurately in the record or minute
14 book of the said council; and he shall do and perform such
15 other and further duties as may be required of him by the
16 council or by this charter.
17 No clerk shall be elected and employed by the said council ex-
18 cept a person of good moral character, and possessed of proper
19 requisites necessary to the efficient management and conduct
20 of the duties of the office.
21 Before entering upon the duties of such clerk, the person
22 duly elected and employed as such shall first take and sub-
23 scribe to an oath, administered by the mayor, which oath shall
24 be that he will faithfully obey the laws of the United States
25 of America and the state of West Virginia and that he will
26 discharge the duties of the office of the clerk of the said city to
27 the best of his skill and judgment.
28 And before assuming the duties of such office, the said clerk
29 shall execute and deliver to the mayor of the said city, an apt
30 and proper bond, in the penalty of not less than twenty-five
31 thousand dollars and in an increased penalty, if the council re-
32 quire, the condition of such bond being that the said clerk
33 will faithfully and honestly account for any and all moneys,
34 bonds, notes, or securities that may come into his hands be-
35 longing to the said city, and that he will not misappropriate
36 or embezzle the same, nor pay out nor dispense any of such

37 moneys, bonds, notes, or securities except upon proper and
38 lawful order and direction.
39 The said clerk is also hereby empowered to certify, under
40 the seal of the city, any copy or copies of the records, papers
41 or documents of the city for use as evidence in any court or
42 tribunal.
43 It shall be the duty of the said clerk to sit with the council
44 of the said city at all of the meetings thereof, and to act
45 in a secretarial capacity to said council, and to furnish such
46 information, statements, or data concerning the financial af-
47 fairs or other affairs of the said city coming within the pur-
48 view of his office, as the said council may require.
49 But the said clerk shall be entitled to no vote.
50 The said clerk shall hold his office during the will and pleas-
51 ure of the council, and if in the judgement of the members of
52 the council the said clerk is not performing the duties of his
53 office in a proper and efficient manner, the council shall have
54 absolute power to remove said clerk, declare his office vacant,
55 and elect his successor.
56 The clerk shall be required to devote his time within custo-
57 mary and regular business hours to the business of the city ex-
58 clusively.

Sec. 33. The council shall appoint a city attorney who shall
2 be an attorney at law, admitted to practice in the state of West
3 Virginia, who shall be the legal advisor of and attorney and
4 counsel for the city and for the officers in matters relating to
5 their official duties. He shall prosecute and defend all suits
6 actions and procedures for and in behalf of the city; shall pre-
7 pare all contracts, bonds and other instruments in writing
8 in which the city is concerned and shall endorse on each his
9 approval of the form and correctness thereof. He may, if re-
10 quired by the mayor, appear and assist in the prosecution of
11 persons arrested for violating the ordinances of the city or the
12 laws of the state of which the mayor may have jurisdiction.
13 The mayor or city clerk or any member of the council may re-
14 quire his opinion in writing upon any question at law involv-
15 ing their respective powers and duties.

Sec. 34. The police department of the city shall consist of a
2 chief of police, and such other members of the department as
3 may be fixed by the council, including members of the police
4 force and patrolmen, all of whom shall be appointed by the
5 council.
6 The chief of police shall have control of the stationing and
7 transfer of all patrolmen and other officers and employees con-
8 stituting the police force of the city, under such rules and

9 regulations as the mayor or council may prescribe.
10 The respective salaries of all members of the police depart-
11 ment shall be fixed by the council. And no member of the
12 police department shall receive any other wage, salary or thing
13 of value for his services to the city in said department.

Sec. 35. The chief of police shall be ex officio constable
2 within the corporate limits of his city. He may execute any
3 writ or process issued by the mayor or justice of the peace at
4 any place in Mingo county. He shall have all the powers,
5 right, and privileges within the corporate limits of the city in
6 regard to the arrest of persons, the collection of claims, and the
7 execution and return of process, that can be legally exercised
8 by a constable of the district in which the said city is situated,
9 and he and his sureties shall be liable to all the fines, penalties,
10 and the forfeiture that a constable of a district is liable to, for
11 any failures dereliction in his office, to be recovered in the
12 same manner and in the same courts that fines, penalties and
13 forfeitures may be recovered against such constables. All spe-
14 cial police officers shall have and possess all the powers, rights,
15 and privileges of a constable of the district within the cor-
16 porate limits of the city, in regard to the arrest of persons and
17 the execution and return of all criminal rights and processes
18 issued by the mayor.

Sec. 36. The council shall appoint the chief of the fire de-
2 partment together with all members and employees of said
3 department in like manner as the chief of police and members
4 of the police department are appointed by the council. The
5 fire department shall be under the direct supervision of the
6 mayor of the city who shall make recommendations to the coun-
7 cil from time to time as may be necessary concerning said
8 department. The fire department shall be composed of the
9 chief and such other firemen, officers and employees as the
10 council may determine, and their respective salaries shall like-
11 wise be fixed by the council. The council shall have authority
12 to purchase and provide proper and suitable quarters for the
13 fire department and to purchase such trucks, motors, machin-
14 ery, tools and supplies as the council may deem proper and
15 the council shall have the authority to establish one or more
16 fire stations within the city, as it may deem proper.

Sec. 37. The city council shall have authority to appoint
2 a competent physician of the city as the city health officer,
3 and to fix his salary as hereinafter provided. The city health
4 officer shall enforce all ordinances and laws relating to health
5 and sanitation of the city, and shall perform all duties and

have all the power provided by general law relative to the public health to be exercised in municipalities by health officers: Provided, however, That regulations affecting the public health or sanitation additional to those established by general law and for the violation of which penalties are imposed shall be enacted by the council and enforced as provided herein.

The city health officer shall enforce all ordinances, laws, and regulations relating to prevention and restriction of disease, and he shall likewise, in time of epidemic or threatened epidemic, enforce such quarantine and isolation regulations as are appropriate to the emergency.

Sec. 38. The council shall cause to be annually made up and entered upon its journal not later than the first day of July of each year, an accurate estimate of all sums that are or may become chargeable to such city, and which ought to be paid, within one year, and it shall order a levy of so much as may, in its opinion, be necessary to pay the same.

Sec. 39. The levy so ordered shall be upon all dogs in the said city, and upon all real and personal property therein subject to state taxes upon the basis of the valuation of such property as fixed for state purposes; but the taxes so levied upon property shall not exceed the rate allowed by general law, except where authorized by a vote of the people.

The said council is hereby authorized to make the following annual levies, and that is to say:

For general purposes, fifty cents upon each one hundred dollars' valuation.

For retirement of bonds, forty-eight and one-half cents upon each one hundred dollars' valuation.

For public library purposes, one and one-half cents upon each one hundred dollars' valuation.

And in such year or years as the council may deem necessary, a levy of twenty cents upon each one hundred dollars' valuation, for the purpose of retiring and paying such unpaid or old indebtedness of the city as may have been incurred and remained unpaid for previous years.

And the council shall have the authority to make all such levies as it may deem proper: Provided, That the same shall not be in conflict with any constitutional inhibition against the same.

Sec. 40. The clerk of the council selected in the manner herein provided, shall also be the city assessor, and it shall be

his duty to make an assessment of the property within the city subject to taxation, substantially in the manner and form in which assessments are made by the assessor of his county, and return the same to the council on or before the first day of August of each year; and for this purpose he shall be entitled to full access to all public books and records of Mingo county, and to all documents and papers in the hands of the county assessor relating to assessments for state and county purposes, between the first day of April and the first day of June of each year, without expense to the city, and he shall have all the powers conferred by law on county assessors. In case the clerk of the council as such assessor shall discover any property subject to taxation which has not been listed by the county assessor, or assistant tax commissioner, it shall be his duty to list the same, and make report of the fact, with a description of the property and its owner, to the county assessor or the assistant tax commissioner; and it shall be the duty of the county assessor or the assistant tax commissioner to list the same for the state and county purpose and to make a proper valuation of the same and to report its valuation to the assessor of the city. The assessor of the city shall list the dogs in the city, with the names of the owners thereof and return the list to the council. The council shall have the power to make and enforce regulations respecting the listing and taxation of dogs to the city, and to provide for impounding and killing such as appear to have no owner, or upon which the tax has not been paid. And it shall have the power to make and enforce all needful ordinances respecting the assessment of property.

Sec. 41. There shall be a lien on all real estate within the city for the city taxes assessed thereon, from the day fixed by law for the commencement of the assessment of such taxes in each year and the interest upon such taxes at the rate of six percentum per annum from the first day of January next after such assessment until the payment, which may be enforced by the council in the same manner now 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. There shall also be a lien on all real estate within the city for other assessments, fines and penalties assessed or imposed upon the owners thereof by the authorities of the city from the time the same are so assessed or imposed which shall have priority over all other liens except the lien for taxes and may be enforced by the council by suit in equity, in the corporate name of the city, in the same manner now pre-

17 scribed by law for the enforcement of the lien for state or
18 county taxes, or in such other manner as the council may by
19 ordinance prescribe. If any real estate within the city be
20 returned delinquent for the nonpayment of the taxes thereon,
21 a copy of such delinquent list may be certified by the clerk
22 of the council to the proper officer, in order that the same
23 may be sold for taxes, interest and commissions thereon, in the
24 same manner, at the same time, and by the same officer as real
25 estate is sold for the nonpayment of state and county taxes.

Sec. 42. The city clerk shall, as such, be the city collector,
2 whose duty it shall be to collect all taxes, license fees, assess-
3 ments, rents and all other demands and obligations due or
4 accruing to the city, and to keep a strict account thereof. He
5 shall collect all license taxes and license fees at the time such
6 licenses are delivered. All funds so collected by him he shall
7 pay into the city treasury in the manner provided by ordi-
8 nance.

Sec. 43. The city treasury shall be one or more of the banks
2 of the city, and shall be selected and designated once every
3 three years by the council. The bank or banks which shall be
4 designated as the city treasury shall be first chosen at the first
5 regular meeting of the council held in July, one thousand nine
6 hundred thirty-three, and thereafter on the same day every
7 third year. The money deposited therein shall be disbursed
8 only upon order drawn against the same signed and counter-
9 signed as herein provided. Such bank or banks selected shall
10 give bond with good security, payable to the city, to insure
11 the safety of all deposits, in penalties sufficient to protect the
12 highest amount deposited, the security to be approved by the
13 council. The city clerk shall be the city treasurer and as
14 such city treasurer, shall, at the first meeting in each month
15 of the council, furnish the council a statement showing by
16 items the receipts and disbursements for the last preceding
17 month and the amount on hand at the end of such preceding
18 month; and the city clerk, as city treasurer, shall annually, on
19 or immediately before the first day of July, make settlement
20 with the council as the general laws of the state provide for
21 the sheriff's annual settlement with the county courts.

Sec. 44. The city clerk shall perform all the duties of an
2 accountant, and shall install and have supervision over the
3 accounts of all departments and offices of the city. The city
4 clerk as the city accountant shall require statements exhibiting
5 each transaction and the cost thereof. Upon the death, resig-

6 nation, removal or expiration of the term of any officer, the
7 city clerk, as the city accountant, shall examine the accounts
8 of such officer and report his findings to the city council.

Sec. 45. Under the order and direction of the city council
2 and pursuant to such regulations as the council, may adopt,
3 the city clerk shall devise and maintain proper accounting pro-
4 cedure, sufficiently adequate to record in detail all transac-
5 tions affecting the acquisition, custody, and disposition of all
6 moneys, properties, and assets of the city, in such departments
7 of the city as the council may direct.

Sec. 46. No warrant for the payment of money by way of
2 salary or compensation shall be issued for service to any per-
3 son unless there be filed with the clerk of the council an item-
4 ized sworn account, fully describing the character and amount
5 of services or salary sought to be paid, the correctness of
6 which account shall be certified by the officer having full
7 knowledge of the correctness of such account.

Sec. 47. No warrant for the payment of any claim shall
2 be issued except by order of the council. And no warrant shall be
3 valid unless signed by the clerk of the city, and countersigned
4 by the mayor.

Sec. 48. All taxes which the council is or shall be author-
2 ized to levy and collect, and all fines and penalties which
3 may be imposed and collected for violations of the laws and
4 ordinances of said city, shall inure to the exclusive benefit of
5 said city, and all moneys received or collected for the use of
6 said city shall be paid into the city treasury, and shall not be
7 drawn therefrom except as the council, in accordance with this
8 act, may order, by orders drawn upon the city treasury,
9 signed by the mayor, and countersigned by the clerk, and no
10 order shall be issued upon any fund unless there is an un-
11 expended balance to the credit thereof sufficient to cover such
12 order and money in the treasury to pay it. The council shall,
13 once at least every year, cause to be published in two news-
14 papers published in the said city, a statement of the receipts
15 and expenditures of said city for the past year for each of
16 the several funds, signed and sworn to by the clerk, and at-
17 tested by the mayor.
18 And the council shall have the authority to cause to be
19 made a full and complete investigation and audit of the ac-
20 counts of the clerk of the city, as well as a complete audit of
21 the financial affairs of the city, to be made by properly quali-
22 fied accountants and auditors, the expense thereof to be paid

24 But not more than one such audit shall be made in any one
25 year.

Sec. 49. The council shall cause to be posted at the front
2 door of the city hall and at some other public place in each
3 ward of the city, or in lieu thereof, publish each year in two
4 separate newspaper of opposite politics, and if there be not
5 two such newspapers, then in one newspaper, and such news-
6 papers to be published in said city of Williamson, the financial
7 statement of the city, which said statement shall show all monies
8 received and disbursed for any and all purposes. And the
9 council shall in the same manner post or publish a list of real
10 estate and personal property delinquent for taxes, in like man-
11 ner and to the same extent as is now provided for publication
12 of lists of real estate and personal property delinquent for the
13 payment of state and county taxes, thereon. And the council
14 may, in its discretion, advertise and publish a list of all persons,
15 firms, and corporations as may be delinquent in the payment
16 of poll taxes and water rents.

Sec. 50. Any and all city officers or officials whose duties
2 require them to collect, receive, or hold monies, obligations,
3 funds, bonds, notes, securities, or other assets of the city, or
4 having charge of the same for and on behalf of the city, shall
5 each and separately execute a proper bond to secure the faith-
6 ful performance of their respective duties, and for the proper
7 accounting for and paying over, as required by law or ordi-
8 nance, of all moneys, assets, or property of the city coming
9 into their hands. And in addition to the bonds of certain
10 officers as required herein specifically, the council shall have
11 power to require like bonds from such other officers or em-
12 ployees as the council may deem advisable.
13 All such bonds shall be made payable to the city of William-
14 son, with the penalties in such amounts as may be fixed by
15 the council, except in such cases wherein such penalty may be
16 expressly fixed herein. And all such bonds, whether prescribed
17 herein or required by the council in its discretion, shall be
18 signed and executed by a good and solvent surety or bonding
19 company as surety therein. And all such bonds shall be de-
20 livered to and filed with the city clerk, who shall keep the
21 same safely in his custody: Provided, however, That the bond
22 of the city clerk shall be delivered to the mayor of the city,
23 to be by him kept safely in his custody.
24 And any action, suit or proceeding may be brought, in-
25 stituted, and maintained by the city in its corporate name

26 and capacity, and also by any person, firm, or corporation
27 for whose benefit and protection such bond was executed, in
28 or before any court of competent jurisdiction in and for the
29 county of Mingo. And there shall also be available all such
30 remedies as may exist on or against bonds of collectors of
31 county levies.

32 The several officers of the city shall give bonds conditioned
33 as prescribed by law, with corporate surety thereon, as herein
34 provided, such bonds to be approved by the council, and with
35 the penalties thereof as follows: mayor of the city, five thou-
36 sand dollars; city clerk, twenty-five thousand dollars; each
37 councilman, one thousand dollars.

38 Then penalties of all other bonds that may be required by
39 the council of other officers or employees shall be in such
40 amounts as the council may prescribe.

41 The charges and premiums on any and all bonds given by
42 officers and employees of the city shall be paid by the city
43 out of the city treasury, upon proper order.

Sec. 51. Every officer of the city shall, before entering upon
2 the duties of his office, take and subscribe to an oath and af-
3 firmation to be filed and kept, in the office of the council, that
4 he will in all respects faithfully discharge the duties of his
5 office.

Sec. 52. The annual salaries of the officers of the city, to be
2 appointed or elected hereunder, shall be paid by the council out
3 of the city treasury, and the salaries of certain officers and of-
4 ficials shall not exceed the following respective amounts:
5 mayor of the city fifteen hundred dollars; city clerk, fifteen
6 hundred dollars; each councilman other than the mayor, two
7 hundred dollars; city attorney, one thousand dollars; stenog-
8 raphers and bookkeepers, one thousand two hundred dollars;
9 city health officer, one thousand two hundred dollars: Provided,
10 however, That no member of the council shall either directly
11 or indirectly receive any other compensation or emolument for
12 any service rendered the said city in any capacity save and ex-
13 cept as above provided, nor shall any member of said council be
14 either directly or indirectly interested in the furnishing of any
15 supplies or in the doing or performance of any contract pro-
16 cured or made for or in behalf of the city.

17 The salaries as above set forth are to be paid out of the city
18 treasury proportionately at the end of each month, but are
19 never to be paid in advance. All fees, fines, commissions, and
20 emoluments, except salaries, shall be taxed and collected, and

21 when so collected shall be paid into the treasury of the city by
22 the officers, respectively, for the absolute use of the city.

Sec. 53. The terms of office of the mayor and the remaining
2 members of the present commission of the City of Williamson,
3 who held office prior to the time of the taking effect of this act
4 shall terminate and expire on the thirtieth day of June, one
5 thousand nine hundred thirty-three.

Sec. 54. For the purpose of creating a provisional govern-
2 ment for the City of Williamson during the time required
3 to organize and install the same; to provide for the registra-
4 tion of the voters thereof; and to hold and conduct the first
5 election of officers for said city as herein provided for; it shall
6 be the duty of the governor of this state, as soon as may be
7 after this act becomes effective, and not later than the twenty-
8 first day of June, one thousand nine hundred thirty-three, to ap-
9 point a citizen and resident of said City of Williamson to the of-
10 fice of mayor thereof, and four citizens and residents of said city
11 to the office of councilmen of said city, respectively; all of such
12 appointed officials to have the qualifications herein prescribed.
13 The term of office of such mayor and councilmen so appointed
14 shall begin on the first day of July, one thousand nine hun-
15 dred thirty-three, and shall terminate and expire on the thir-
16 tieth day of June, one thousand nine hundred thirty-four.
17 The term of office of mayor and councilmen whose election is
18 provided for at the first election to be held hereunder and at
19 all subsequent elections, shall begin on the first day of July fol-
20 lowing said election and continue for a period of three years
21 and until their successors are elected and qualified.

Sec. 55. All contracts entered into by the city, or made for
2 its benefit prior to the taking effect of this act, shall continue in
3 full force and effect. All public work begun, prior to the taking
4 effect of this act, shall be continued and completed hereunder.

Sec. 56. All ordinances and resolutions in force at the
2 time of the taking effect of this act, not inconsistent with its
3 provisions, shall continue in force until amended or repealed.

Sec. 57. All the acts and parts of acts in conflict or incon-
2 sistent with th e provisions hereof, are hereby repealed. The
3 various provisions of this act shall be construed as separable
4 and several, and should any of the provisions or parts thereof
5 be construed or held to be unconstitutional, or for any other
6 reason invalid, the remaining provisions of this act shall not
7 be thereby affected.

Acts of Legislature Regular Session 1935

AN ACT to amend and reenact sections twelve, thirteen, nineteen and fifty-two, chapter one hundred thirty-six, acts of the Legislature of West Virginia, regular session, one thousand nine hundred thirty-three, relating to the charter of the City of Williamson.

(Passed February 15, 1935, in effect ninety days from passage. Became a law without the approval of the Governor.)

Sec.
12. City executive committees of political parties chosen a ward conventions; number, qualifications, terms and organization; vacancies.
13. Ward nomination conventions for councilmen, publication of notice; organizing; city convention to nominate mayor; delegates, publication of notice; rules and regulations governing list of nominees to city clerk; filling vacancies; election dates; election officials; powers of council as to elections; nominations by petition.
19. Meetings of council; voting; mayor a members; duties of city clerk as clerk to council; place and time of meetings; order of business.
52. Maximum salaries; monthly payments; fees, fines, etc., paid into city treasury.

Be it enacted by the Legislature of West Virginia:

That sections twelve, thirteen, nineteen and fifty-two, chapter one hundred thirty-six, acts of the Legislature of West Virginia, regular session, one thousand nine hundred thirty-three, be amended and reenacted to read as follows:

Section 12. City executive committees for each of the two
2 political parties which cast the greatest number of votes in the
3 last regular election held in said city shall be chosen at the
4 ward conventions hereinafter mentioned. Said executive com-
5 mittees shall be composed of one man and one woman from
6 each of the wards in said city, who shall be residents and
7 qualified voters of the wards from which they are elected,
8 respectively, and shall hold office for a period of three years.
9 They shall meet immediately after the adjournment of the city
10 conventions of each of said political parties, nominating candi-

12 ize by electing a chairman, a secretary, and a treasurer, from
13 the city at large, and the chairman so elected shall be entitled
14 to cast one vote and that only in the event of a tie vote by the
15 members of said committee upon any matter before them. The
16 present members of the executive committees of said parties
17 shall continue in office until their successors are elected as here-
18 inafter provided.

19 If a vacancy shall occur in the office of committeeman or
20 committeewoman, the remaining members of the committee
21 may elect a successor, who shall fill the unexpired term until
22 the next regular ward convention.

Sec. 13. Candidates of each political party for councilmen
2 shall be nominated by mass conventions of the voters of the
3 several wards of said city. The candidates for mayor shall
4 be nominated by the delegated representatives of the
5 political parties, assembled in a city convention for the en-
6 tire city. On or before the second Tuesday of April, one
7 thousand nine hundred thirty-seven, and on or before the
8 second Tuesday of April of every third year thereafter, each
9 of said political parties shall hold a mass convention in each
10 of the several wards of said city, for the purpose of nomi-
11 nating a candidate for councilman, selecting committee mem-
12 bers from said wards and selecting delegates to the city
13 convention to nominate a candidate for mayor. Said con-
14 ventions shall be called by the executive committee of the
15 party holding the same, and the date, hour, and place of
16 holding such convention shall be published in two separate
17 newspapers, published in said city, once each week for two
18 consecutive weeks prior to the time of holding such con-
19 ventions. Said ward conventions for the several wards shall
20 be called as herein provided and held on the same date and
21 at the same hour. The male member of the executive com-
22 mittee for said ward of the party holding said convention
23 shall attend and preside thereat until a permanent organi-
24 zation shall be perfected: **Provided, however,** That should
25 the male member of said committee be absent or from any
26 cause be unable to attend said convention, then it shall be
27 the duty of the female member thereof to preside thereat
28 until a permanent organization shall be perfected.

29 The wards shall be entitled to one delegate for each fifty
30 votes, or fractional part thereof, cast at the last preceding
31 general election in said city for the office of mayor, and
32 the delegates to the city convention shall be apportioned

34 parties, accordingly.
35 At least thirty-five days before every regular election in
36 said city, the party executive committee shall designate the
37 place, date and hour of the holding of the city convention,
38 for the purpose of nominating candidates for mayor, which
39 shall be not less than twenty days before said election.
40 Notice of said convention shall be published in two newspapers
41 published in said city once each week, for two consecutive
42 weeks, prior to the date of the holding of said conventions.
43 The chairman of the executive committee of the party holding
44 said convention shall attend and preside thereat until a per-
45 manent organization shall be perfected.
46 The city executive committee of each party so holding
47 such convention shall have authority to make such rules and
48 regulations governing the holding of such convention as it
49 may deem proper, including all parliamentary rules and
50 regulations governing the deliberation of such convention.
51 And within five days after the holding of such convention,
52 the city executive committee of each party shall cause to be
53 furnished to the city clerk a complete list of the persons
54 nominated by that party for the offices of mayor and council-
55 men, such list so furnished to be duly sworn to and attested
56 by the chairman and the secretary of such city executive com-
57 mittee.
58 And in the event that a vacancy occurs in the list of such
59 nominees, after such convention has been held, then the said
60 city executive committee shall have authority to designate
61 some other qualified citizen of the city as such nominee, the
62 name of such nominee or nominees to be certified in like
63 manner to the said city clerk.
64 The first election in said city, to be held under this
65 amendment of the charter of said city, shall be held on the
66 third Tuesday in May, one thousand nine hundred thirty-
67 seven, and on the third Tuesday in May of every third year
68 thereafter.
69 On the first Tuesday in May, one thousand nine hundred
70 thirty-seven, and on the first Tuesday in May of every third
71 year thereafter, the council shall hold a meeting for the
72 purpose of making arrangements and preparations for the
73 holding of such election. And at such meeting the council
74 of the city shall appoint three qualified voters of the city as
75 commissioners of election for each voting precinct in said
76 city. Said commissioners of election shall be persons of good
77 standing and character, and not addicted to drunkenness, and

more than two of said commissioners of election shall
79 belong to the same political party. If at any time during
80 said meeting, or prior thereto, the city executive committee
81 of the two political parties which cast the greatest number
82 of votes in the last preceding regular city election, shall
83 present to said city council a writing signed by the chairman
84 of such executive committee, giving a list of persons from
85 that political party as such commissioners of election, then,
86 in appointing such commissioners of election the city council
87 shall appoint said commissioners of election from the list or
88 lists so presented to the city council. Every such writing
89 so presented shall be filed, preserved and kept by the clerk
90 of the council in his office.

91 The city council shall have authority to provide all neces-
91-a sary and suitable means, equipment and appliances for the
92 holding of such elections, and may adopt all necessary rules,
93 ordinances, and regulations governing the same as may appear
94 proper.

95 In addition to the methods prescribed for the nomination
96 of candidates, candidates for the offices of mayor and
97 councilmen may be nominated as follows, that is to say: If,
98 not less that fifteen days prior to the date of the election, a
99 petition signed by not less than three hundred of the qualified
100 voters of the city shall be presented and filed with the clerk of
101 the city, asking that the name or names of candidates be placed
102 upon the ballot, then it shall be the duty of the city council to
103 cause such name or names to be so placed upon the official
104 ballot to be used in such election.

Sec. 19. The council of the city shall hold regular meetings
2 on the second and fourth Fridays of each month, and shall
3 hold such special meetings as may from time to time be called
4 as hereinafter provided for.

5 The mayor shall have authority to call any special meeting
6 of the council; and likewise a special meeting of the council
7 may be called upon a joint notice to not less than three members
8 of the council; but before holding such special meeting, the
9 mayor, or if called as aforesaid by not less than three members
10 of the council, then such three members, shall cause the city
11 clerk to post notice thereof at the front door of the municipal
12 building of the city, at least twenty-four hours prior to such
13 special meeting, and to give personal notice to each member of
14 the council at least twelve hours in advance thereof where
15 possible.

16 All regular and special meetings of the council shall be pre-

sided over by the mayor, and in his absence by a mayor pro tem to be chosen from their number by the councilmen present; three members of the council present shall constitute a quorum for the transaction of business.

Each member of the council shall be entitled to one vote. But no member of the council, or the mayor, shall vote upon or take part in the consideration of any question, measure, or proposition in which he is or may be interested otherwise than as a resident of the city.

The mayor shall be a member of the city council, and shall be entitled to one vote only as a member thereof. The clerk of the city, chosen in the manner hereinafter provided, shall attend upon all meetings of the council, but shall be entitled to no vote, nor shall he take part in any consideration or discussion of the council upon any matter, except when called upon or invited by the council to take part therein. He shall furnish any and all data or information that may be desired by the members of the council relating to the business of the city. The clerk shall have charge of all record books and minute books, of the council and city, and shall also have charge of the council journal. He shall faithfully and accurately record the minutes and proceedings of all meetings of the council, which shall be recorded in the council journal; all such records of the council journal shall be duly authenticated and attested by the mayor and the city clerk, as hereinafter provided. And the said clerk shall in all matters act as the secretary to the council.

All meetings of the council shall be held in the council room or council chamber provided therefor in the municipal building of said city, and shall be held at such hour of the day as may be designated by the council. At its first meeting, after the qualification of the first mayor and councilmen holding office hereunder and thence at the first meeting of the mayor and councilmen taking office after each election hereunder, the council of the city shall fix upon and adopt a certain hour or time of the day at which all meetings of the council shall be held. But such hours so adopted shall be subject to change by vote of the members of the council. The following schedule or order of business shall be followed and observed by the council at their said meetings:

First: The mayor, or mayor pro tem, shall direct the clerk of the council to call the roll of the members of the council, who shall answer to their respective names as called; in the council journal the clerk shall record the names of the members present and the names of the members absent.

Second: The mayor, or mayor pro tem, shall call upon the clerk to read aloud from the council journal the minutes of the previous meeting of the council, and in no event shall the full and accurate reading thereof be dispensed with; and after the reading thereof, the minutes of the previous meeting may by vote or action of the council be corrected, if proper so to do, and otherwise the same shall stand approved as read. Immediately after which the said minutes shall be thereupon duly attested by the mayor and clerk.

Third: The council shall thereupon take up for consideration, discussion, and action, if necessary, all uncompleted or unfinished business not previously disposed of or acted upon.

Fourth: The council shall thereupon take up for consideration, discussion, and action, if necessary, such new matters or new business as may come before the council.

Fifth: The council shall thereupon take up such miscellaneous matters as may come before it, including any matters that may be brought before it by any citizen or resident of the city or other person; and any person desiring to bring any matter to the attention of the council shall in all cases be given a full opportunity to present such matter.

Sec. 52. The annual salaries of the officers of the city, to be appointed or elected hereunder, shall be paid by the council out of the city treasury, and the salaries of certain officers and officials shall not exceed the following respective amounts: Mayor of the city, twenty-four hundred dollars; city clerk, eighteen hundred dollars; each councilman other than the mayor, three hundred dollars; city attorney, one thousand dollars; stenographers and bookkeepers, twelve hundred dollars; city health officer, twelve hundred dollars; assistant health officer, six hundred dollars: Provided, however, That no member of the council shall either directly or indirectly receive any other compensation or emolument for any service rendered the said city in any capacity save and except as above provided, nor shall any member of said council be either directly or indirectly interested in the furnishing of any supplies or in the doing or performance of any contract procured or made for or in behalf of the city.

The salaries as above set forth are to be paid out of the city treasury proportionately at the end of each month, but are never to be paid in advance. All fees, fines, commissions, and emoluments, except salaries, shall be taxed and collected, and when so collected shall be paid into the treasury of the city by the officers, respectively, for the absolute use of the city.

AMENDMENT TO THE CHARTER OF THE CITY OF WILLIAMSON, WEST VIRGINIA, TO BE KNOWN AS THE "PRIMARY ELECTION AMENDMENT".

(Council Journal No. 5, Page No. 181)

This amendment shall consist of the words and figures beginning with the caption thereof, as hereinbefore appearing, and concluding with the words "end of amendment" at the termination thereof.

Sections Twelve and Thirteen, Chapter One Hundred Thirty-Six of the Acts of the Legislature of West Virginia, Regular Session One Thousand Nine Hundred Thirty-three as amended and reenacted by the Acts of the Legislature of West Virginia, Regular Session One Thousand Nine Hundred Thirty-five, Chapter One Hundred Thirty-Nine, constituting a part of the charter of the City of Williamson, West Virginia, are hereby amended in accordance with the provisions of the Acts of the Legislature of West Virginia, Regular Session One Thousand Nine Hundred Thirty-Seven, Chapter Fifty-Six, known as the "Municipal Home Rule Law", as follows:

Section 12. City executive committees for each of the two political parties which cast the greatest number of votes in the last regular election held in said City shall be chosen at the primary elections hereinafter provided for, and no such committee or committees shall hereafter be chosen by convention or conventions. Said executive committees shall be composed of one man and one woman from each of the wards in said city, who shall be residents and qualified voters of the wards from which they are elected, respectively, and shall hold offices for a period of three years. Members of such committees from each ward shall be elected by the voters of that ward affiliated with the political party for which chosen. They shall meet as soon as possible after election and organize by electing a chairman, a secretary, and a treasurer from the City at large, and the chairman so elected shall be entitled to cast one vote and that only in the event of a tie vote by the members of the said committee upon any matter before them. The present members of the executive committees of said parties shall continue in office until their successors are elected, as hereinbefore and hereinafter provided.

If a vacancy shall occur in the office of committeeman or committeewoman, the remaining members of the committee may elect a successor, who shall fill the unexpired term until the next regular city primary election.

Section 13. (a) No candidate for Mayor or councilman of or for the said City, or any ward thereof, shall hereafter be nominated by convention.

(b) Candidates for Mayor from the City at large, candidates

for councilmen for each ward, to be chosen by the voters thereof, and members of the executive committees hereinbefore provided for, shall be chosen by primary election by the two political parties casting the greatest number of votes at the last preceding general City election.

(c) In the event that a vacancy occurs in any nomination herein provided for, from any cause, then the City Executive Committee of the political party for which such vacancy exists shall have authority to fill the same.

(d) The first primary election in this City to be held under this amendment to the Charter of said City shall be held on the second Tuesday in April, One Thousand Nine Hundred Forty, and similar primary elections for the City shall be held on the second Tuesday in April of every third year thereafter.

(e) The next general election for the offices of Mayor and councilmen for this City shall be held on the second Tuesday in June, One Thousand Nine Hundred Forty, instead of the third Tuesday in May as heretofore provided by the Charter of said City, and similar general City Elections shall be held on the second Tuesday in June of every third year thereafter.

(f) On the fourth Tuesday in March, One Thousand Nine Hundred Forty, and on the fourth Tuesday in March in every third year thereafter, and on the fourth Tuesday in May, One Thousand Nine Hundred Forty, and on the fourth Tuesday in May of every third year thereafter, the Council shall meet for the purpose of making arrangements and preparations for the holding of the primary election provided for by the charter of this City, as hereby amended. The Commissioners of election for each of such elections shall be chosen according to the present provisions of the charter of this City for general City elections, and the Clerk of this City shall perform all duties and exercise all functions with respect to such elections now imposed or conferred by the general election laws of this state upon circuit and county clerks, so far as applicable. The Council shall have authority to provide all necessary and suitable means, equipment and appliances for the holding of all primary and general elections required for this City by its charter, as hereby amended, and may adopt all necessary rules, ordinances and regulations governing the same as may appear proper. The primary and general elections for the said City herein provided for shall be held and conducted in all respects other than as specified by the Charter of said City as hereby amended as nearly as may be in conformity with the general laws of the State of West Virginia relating to primary and general elections respectively.

(g) All provisions of the present charter of this City in conflict herewith are hereby repealed and amended to conform to the spirit and purpose of this amendment, and except insofar as so repealed or amended, all the provisions of the said present charter shall remain

in full force and effect. The Council shall have authority, and it shall be its duty, to provide by proper ordinances for carrying into effect the spirit and purpose of this amendment.

(h) This amendment shall take effect upon its approval by the voters of this City in accordance with the provisions of the "Municipal Home Rule Law" of the State of West Virginia.

(End of Amendment)

(Approved by the voters of the City at an election held on May 2, 1939—Council Journal No. 5, at Page No. 198)

CITY OF WILLIAMSON

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 Williamson 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 City Clerk not less than three (3) business days before such regular meeting is to be held. The agenda listing the matters requiring official action that may be addressed at the meeting may be amended up to two (2) business days prior to the meeting. 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 City Clerk at the front door or bulletin board of the City Hall not less than two (2) 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 25th day of June, 2009.

_____
Mayor

[SEAL]

_____
Clerk

976580.00004

CH4939801.1

OATH OF OFFICE

I, DARRIN McCORMICK, do solemnly swear that I will uphold the Constitution of the United States of America, the Constitution of the State of West Virginia, and the City of Williamson, West Virginia; that commencing July 1, 2009, I will faithfully discharge my duties as MAYOR OF THE CITY OF WILLIAMSON, to the best of my skill and judgment, so help me God.

DARRIN McCORMICK

Taken, subscribed, and sworn to before the undersigned at Williamson, West Virginia, this 30th day of June, 2009.

MICHAEL THORNSBURY, JUDGE
THIRTIETH JUDICIAL CIRCUIT

OATH OF OFFICE

I, CONNIE ROCKEL, do solemnly swear that I will uphold the Constitution of the United States of America, the Constitution of the State of West Virginia, and the City of Williamson, West Virginia; that commencing July 1, 2009, I will faithfully discharge my duties as COUNCILWOMAN FOR WARD FOUR (4) OF THE CITY OF WILLIAMSON, to the best of my skill and judgment, so help me God.

Connie Rockel

CONNIE ROCKEL

Taken, subscribed, and sworn to before the undersigned at Williamson, West Virginia, this 30th day of June, 2009.

MICHAEL THORNSBURY, JUDGE
THIRTIETH JUDICIAL CIRCUIT

OATH OF OFFICE

I, YORK SMITH, JR. do solemnly swear that I will uphold the Constitution of the United States of America, the Constitution of the State of West Virginia, and the City of Williamson, West Virginia; that commencing July 1, 2009, I will faithfully discharge my duties as COUNCILMAN FOR WARD ONE (1) OF THE CITY OF WILLIAMSON, to the best of my skill and judgment, so help me God.

York Smith Jr

YORK SMITH, JR.

Taken, subscribed, and sworn to before the undersigned at Williamson, West Virginia, this 30th day of June, 2009.

M. Ed Thornsbury

MICHAEL THORNSBURY, JUDGE
THIRTIETH JUDICIAL CIRCUIT

OATH OF OFFICE

I, SHERRI HAIRSTON BROWN, do solemnly swear that I will uphold the Constitution of the United States of America, the Constitution of the State of West Virginia, and the City of Williamson, West Virginia; that commencing July 1, 2009, I will faithfully discharge my duties as COUNCILWOMAN FOR WARD TWO (2) OF THE CITYOF WILLIAMSON, to the best of my skill and judgment, so help me God.

Sherri Hairston Brown

SHERRI HAIRSTON BROWN

Taken, subscribed, and sworn to before the undersigned at Williamson, West Virginia, this 30th day of June, 2009.

Michael Thornsbury

MICHAEL THORNSBURY, JUDGE
THIRTIETH JUDICIAL CIRCUIT

ORDINANCE CREATING WILLIAMSON UTILITY BOARD FOR THE MANAGEMENT AND OPERATION OF THE COMBINED WATER-WORKS AND SEWERAGE SYSTEM OF THE CITY OF WILLIAMSON AND MAKING PROVISIONS AS TO SUCH BOARD AND APPOINTING MEMBERS THERETO

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

Section A. Authority for This Ordinance. This Ordinance is enacted pursuant to the provisions of West Virginia Code, Chapter 8, Article 20, and other applicable provisions of law (the "Act").

Section B. Findings and Determinations. It is hereby found, determined and declared as follows:

(1) The City of Williamson (the "City"), in the County of Mingo, State of West Virginia, now owns and operates a combined water-works and sewerage system (the "System"), and the City has applied to Farmers Home Administration of the United States Department of Agriculture, for a loan to finance construction of essential additions, extensions and improvements for the System and Farmers Home Administration has agreed under certain conditions to make such loan. One of the conditions is that the System be managed and operated by a Board established by the City, the members of which shall not hold elective office nor hold any office of the City except as such members. Authority for the City to establish such Board is provided in the Act.

(2) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the City and the users of the water and sewerage services of the City that the aforesaid additions, extensions and improvements for the System be financed and made and that the City comply with the requirements of Farmers Home Administration as to the said loan, which is hereby determined to be upon the most favorable terms available to the City and it is deemed

payments on orders authorized or approved by the Board. The members of the Board and the secretary and treasurer shall furnish bond, if any is required, in the amounts fixed by the Board for the use and benefit of the System and the City.

The City Council shall have the authority to remove any member of the Board for consistent violations of this ordinance or of any other ordinances regulating or applying to the Board or for reasonable cause which shall include, but shall not be limited to, continued failure to attend meetings of the Board, failure to perform any duty prescribed by law or the Board, or misconduct in office; provided, however, that no member shall be so removed until he shall have had a full hearing upon written complaint presented to him on behalf of the Council and after due notice of such hearing and the right to be represented by counsel.

Section E. Salaries and Meetings. Each member shall be compensated $100 per meeting actually attended by him, not to exceed 12 meetings per year.

The Board shall hold monthly meetings and shall give notice thereof in accordance with the applicable provisions of West Virginia law. All meetings shall be open to the public.

Section F. Powers and Duties of Board. 1. The Board shall employ a superintendent of the System who shall have a college degree and shall have the necessary credentials under West Virginia law and regulations of the State Health Department and any other governmental agency having jurisdiction in the premises, and such superintendent shall be responsible for the technical operation of the System.

2. The Board shall, on the recommendations of the superintendent, employ such other administrative, office, operating and maintenance personnel as may be required to maintain and operate the System and shall fix the salaries of all such employees.

3. The Board shall retain a certified public accountant on an annual basis to prepare an annual audit report and to assist the Board in preparing an annual budget which the Board shall furnish to the Council for its information not later than the 31st day of July of each year. The Board shall cause the superintendent annually to prepare a report in writing as to the operation and maintenance of the System with such recommendations relative to the System as the superintendent shall consider proper and shall furnish such annual report to the City Council. The Board shall employ such certified public accountant to set up a bookkeeping system which shall comply with the uniform systems of accounts for municipal waterworks and municipal sewerage systems prescribed by the Public Service Commission of West Virginia and to supervise generally the keeping of the books of the Board.

4. The Board shall furnish to the City Council for its information a copy of the minutes of each meeting of the Board after such minutes have been approved by the Board. The Board shall cause a written record of every meeting to be made and to be kept in a well bound minute book, the minutes of each meeting to be prepared, read and signed by the chairman and the secretary of the Board at the succeeding meeting of the Board.

5. The Board shall employ an attorney to advise the Board or may arrange with the City Attorney to represent the Board with an equitable allocation of the salary of the City Attorney to be made in such case between the City Council and the Board.

6. The Board shall arrange with the City Council as to allocation of computer and other costs, equipment rental, rental of space in the City Building and such other joint use of facilities as the Board and the City Council may agree upon.

7. The Board shall comply with all billing and recording procedures prescribed by the Public Service Commission of West Virginia,

including proper identification and records of capital expenditures, expenditures for maintenance and repairs, expenditures for operations, accruals for reserves and all other accounting and bookkeeping matters.

8. The Board shall have power to purchase necessary equipment and other property required for the proper operation of the Board, provided, however, that the acquisition of any property of any kind costing $1,000.00 or more shall be upon public bidding after advertisement of notice to receive bids under rules to be adopted by the Board and approved by the City Attorney as to legality.

9. The Board shall make such rules and regulations not inconsistent with this ordinance or with the rules and regulations of the Public Service Commission of West Virginia as it may deem necessary or desirable for the conduct of the business of the Board and for the operation of the System.

10. It shall be the duty of the Board to collect fees and charges from the customers of the System and to proceed as necessary and as recommended by its attorney to collect delinquent fees and charges.

11. The Board shall supervise and control the operation, maintenance, repair and equipping of the System and the acquisition and construction of additions, extensions and improvements for the System and shall collect the revenues of the System and shall otherwise manage and control the System subject to the provisions of this ordinance.

Section G. This ordinance shall be effective immediately.

CERTIFIED A TRUE COPY
JULY 31, 1979
June Blevins
CITY CLERK

ORDINANCE CREATING WILLIAMSON UTILITY BOARD

A.

PUBLIC SERVICE COMMISSION
WATER & WASTEWATER DIVISION

JUN 19 2007

RECEIVED

Water and Sewer Rate Ordinance

CITY OF WILLIAMSON

AN ORDINANCE ESTABLISHING AND FIXING RATES, DELAYED PAYMENT PENALTIES, CONNECTION CHARGES, RECONNECTION CHARGES AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM AND SEWERAGE SYSTEM OF THE CITY OF WILLIAMSON

Be it ORDAINED by the City Council of the City of Williamson, West Virginia:

1. This Ordinance is enacted pursuant to the provisions of West Virginia Code, Chapter 8, Article 20, Section 10, and other applicable statutes and provisions of law.
2. This Ordinance is necessary in order to allow the City of Williamson to generate revenue sufficient to pay the current operating costs of the system and to meet the debt service requirements of the system while generating sufficient capital to meet the necessary reserves and other requirements of the Bond Ordinance previously enacted.
3. As a result of the foregoing, it is here FOUND, DETERMINED and DECLARED that the present water, sewage and sewage disposal rates heretofore approved the previous ordinances are inadequate and the revenues derived by the City therefrom are insufficient to provide for the operation of said system while at the same time generating sufficient capital to meet the City's debt service requirements, as well as the requirements for necessary reserve under the Bond Ordinance previously enacted.
4. Upon review of financial data submitted to this Council by the Williamson Utility Board, it is accordingly adjudged to be necessary that the following rates be enacted by the City of Williamson and that the same be charged for the furnishing of water, sewerage and sewerage disposal services to customers at Williamson, Mingo County, West Virginia.

RECEIVED
07 JUN 19 PM 2:22
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

WHEREFORE, THE CITY COUNCIL OF THE CITY OF WILLIAMSON HEREBY ORDAINS: The following schedule of rates, delayed payment penalties, connection charges, reconnection charges and other charges are hereby fixed and determined as the rates, delayed payment penalties, connection charges, reconnection charges and other charges to be charged to customers of the waterworks system and sewerage system of the City of Williamson throughout the territory served.

SECTION 1. SCHEDULE OF WATER RATES

SCHEDULE NO. 1

STEP I

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between July 28, 2007 through May 31, 2008.

AVAILABILITY

Available for residential, commercial, governmental, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$5.50	per 1,000 gallons
Next	17,000 gallons used per month	$4.00	per 1,000 gallons
Next	30,000 gallons used per month	$3.75	per 1,000 gallons
Next	50,000 gallons used per month	$3.60 per 1,000 gallons	
All over	100,000 gallons used per month	$3.50	per 1,000 gallons

MINIMUM CHARGE (Customers with metered water supply)

No minimum bill will be rendered for less than $16.50 per month which is equivalent to 3,000 gallons of water usage

Minimum	
5/8 inch meter	$16.50
3/4 inch meter	$16.50
1 inch meter	$41.25
1-1/2 inch meter	$82.50
2 inch meter	$132.00
3 inch meter	$247.50
4 inch meter	$412.50
6 inch meter	$825.00
8 inch meter	$1,320.00

FLAT RATE CHARGE (Customers with non-metered water supply) $22.50 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP I

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between July 28, 2007 through May 31, 2008.

AVAILABILITY

Available for general residential, commercial, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00	per 1,000 gallons
Next	17,000 gallons used per month	$6.00	per 1,000 gallons
Next	30,000 gallons used per month	$4.75	per 1,000 gallons
Next	50,000 gallons used per month	$4.40	per 1,000 gallons
Next	900,000gallons used per month	$4.25 per 1,000 gallons	
All Over 1,000,000gallons used per month		$4.00 per 1,000 gallons	

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum	
5/8inch meter	$24.00
3/4 inch meter	$24.00
1 inch meter	$60.00
1-1/2 inch meter	$120.00
2 inch meter	$192.00
3 inch meter	$360.00
4 inch meter	$600.00
6 inch meter	$1200.00
8 inch meter	$1920.00

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $33.00.

SCHEDULE NO. 1

STEP 2

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, on bills rendered between June 1, 2008 through May 31, 2009.

AVAILABILITY

Available for residential, commercial, governmental, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$6.00	per 1,000 gallons
Next	17,000 gallons used per month	$5.00	per 1,000 gallons
Next	30,000 gallons used per month	$4.00	per 1,000 gallons
Next	50,000 gallons used per month	$4.00 per 1,000 gallons	
All over	100,000 gallons used per month	$3.50	per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $18.00 per month which is equivalent to 3,000 gallons of water usage

Minimum	
5/8 inch meter	$18.00
3/4 inch meter	$18.00
1 inch meter	$45.00
1-1/2 inch meter	$90.00
2 inch meter	$144.00
3 inch meter	$270.00
4 inch meter	$450.00
6 inch meter	$900.00
8 inch meter	$1440.00

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $25.50.

SCHEDULE NO. 2

STEP 2

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2008 through May 31, 2009.

AVAILABILITY

Available for general residential, commercial, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00	per 1,000 gallons
Next	17,000 gallons used per month	$6.00	per 1,000 gallons
Next	30,000 gallons used per month	$4.75	per 1,000 gallons
Next	50,000 gallons used per month	$4.40	per 1,000 gallons
Next	900,000gallons used per month	$4.25	per 1,000 gallons
All over	1,000,000 gallons used per month	$4.00	per 1,000 gallons

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $33.00.

MINIMUM CHARGE

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum	
5/8 inch meter	$24.00
3/4 inch meter	$24.00
1 inch meter	$60.00
1-1/2 inch meter	$120.00
2 inch meter	$192.00
3 inch meter	$360.00
4 inch meter	$600.00
6 inch meter	$1,200.00
8 inch meter	$1,920.00

SCHEDULE NO. 1

STEP 3

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2009 through May 31, 2010.

AVAILABILITY

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

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$7.00 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$5.00 per 1,000 gallons
Next	50,000 gallons used per month	$4.40 per 1,000 gallons
All over	100,000 gallons used per month	$4.00 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $21.00 per month which is equivalent to 3,000 gallons of water usage

Minimum	
5/8 inch meter	$21.00
3/4 inch meter	$21.00
1 inch meter	$52.50
1-1/2 inch meter	$105.00
2 inch meter	$168.00
3 inch meter	$315.00
4 inch meter	$525.00
6 inch meter	$1050.00
8 inch meter	$1680.00

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $30.00.

SCHEDULE NO. 2

STEP 3

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2009 through May 31, 2010.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00	per 1,000 gallons
Next	17,000 gallons used per month	$6.00	per 1,000 gallons
Next	30,000 gallons used per month	$5.00	per 1,000 gallons
Next	50,000 gallons used per month	$4.40	per 1,000 gallons
Next	900,000 gallons used per month	$4.40 per 1,000 gallons	
All Over	1,000,000 gallons used per month	$4.00 per 1,000 gallons	

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$24.00
3/4 inch meter	$24.00
1 inch meter	$60.00
1-1/2 inch meter	$120.00
2 inch meter	$192.00
3 inch meter	$360.00
4 inch meter	$600.00
6 inch meter	$1,200.00
8 inch meter	$1,920.00

FLAT RATE CHARGE $33.00
(Customers with non-metered water supply)
(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 1

STEP 4

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2010 through May 31, 2011.

AVAILABILITY

Available for general residential, commercial, industrial and sale for resale (non contract) water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$7.50	per 1,000 gallons
Next	17,000 gallons used per month	$6.00	per 1,000 gallons
Next	30,000 gallons used per month	$5.00	per 1,000 gallons
Next	50,000 gallons used per month	$4.50	per 1,000 gallons
All Over	100,000 gallons used per month $4.00 per 1,000 gallons		

MINIMUM CHARGE

No minimum bill will be rendered for less than $22.50 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$22.50
3/4 inch meter	$22.50
1 inch meter	$56.25
1-1/2 inch meter	$112.50
2 inch meter	$180.00
3 inch meter	$337.50
4 inch meter	$562.50
6 inch meter	$1,125.00
8 inch meter	$1,800.00

FLAT RATE CHARGE (Customers with non-metered water supply)
$31.50 per month
(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 4

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, on bills rendered between June 1, 2010 through May 31, 2011.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00	per 1,000 gallons
Next	17,000 gallons used per month	$6.00	per 1,000 gallons
Next	30,000 gallons used per month	$5.00	per 1,000 gallons
Next	50,000 gallons used per month	$4.50	per 1,000 gallons
Next	900,000 gallons used per month	$4.00 per 1,000 gallons	
All Over	1,000,000 gallons used per month	$4.00 per 1,000 gallons	

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum	
5/8 inch meter	$24.00
3/4 inch meter	$24.00
1 inch meter	$60.00
1-1/2 inch meter	$120.00
2 inch meter	$192.00
3 inch meter	$360.00
4 inch meter	$600.00
6 inch meter	$1,200.00
8 inch meter	$1,920.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$33.00 per month
(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 5

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, on bills rendered between June 1, 2011 through May 31, 2012.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00	per 1,000 gallons
Next	17,000 gallons used per month	$6.00	per 1,000 gallons
Next	30,000 gallons used per month	$5.00	per 1,000 gallons
Next	50,000 gallons used per month	$4.50	per 1,000 gallons
Next	100,000 gallons used per month	$4.00 per 1,000 gallons	

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$24.00
3/4 inch meter	$24.00
1 inch meter	$60.00
1-1/2 inch meter	$120.00
2 inch meter	$192.00
3 inch meter	$360.00
4 inch meter	$600.00
6 inch meter	$1,200.00
8 inch meter	$1,920.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$33.00 per month
(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 6

APPLICABILITY

Applicable in entire territory served on bills rendered by the City of Williamson, West Virginia, beginning June 1, 2012

AVAILABILITY

Available for residential, commercial, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	4,000 gallons used per month	$8.00	per 1,000 gallons
Next	96,000 gallons used per month	$6.00	per 1,000 gallons
Next	900,000 gallons used per month	$5.00	per 1,000 gallons
All over	1,000,000 gallons used per month	$4.00	per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons.

Minimum	
5/8 inch meter	$24.00
3/4 inch meter	$24.00
1 inch meter	$60.00
1/14 inch meter	$87.60
1-1/2 inch meter	$120.00
2 inch meter	$192.00
3 inch meter	$360.00
4 inch meter	$600.00
6 inch meter	$1,200.00
8 inch meter	$1,920.00

FLAT RATE CHARGE (Customers with non-metered water supply)
$35 .00 per month (Equivalent to 4,500 gallons of water usage)/

RATES

(N) Where connections, hydrants, sprinklers, etc., on property maintained by customer:

	Per Annum
2 inch service line with hydrants, sprinklers, and/or connections	$60.00
3 inch service line with hydrants, sprinklers, and/or connections	$120.00
4 inch service line with hydrants, sprinklers, and/or connections	$240.00
6 inch service line with hydrants, sprinklers, and/or connections	$480.00
8 inch service line with hydrants, sprinklers, and/or connections	$960.00
10 inch service line with hydrants, sprinklers, and/or connections	$1,920.00
12 inch service line with hydrants, sprinklers, and/or connections	$3,840.00

WATER RATES COMMON TO ALL SCHEDULES

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.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent 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.

RECONNECTION/ADMINISTRATIVE FEE

There shall be a $25.00 charge paid prior to restoration of water service which had been disconnected for any reason. This charge shall also apply as an administrative fee when bills are collected at the customer's residence or any place other than the billing office.

TAP FEE (UP TO AND INCLUDING 1 INCH SERVICE)

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is bid in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the bidding of the construction project that is associated with a certificate proceeding.

A tap fee of $350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

TAP FEE (ABOVE 1 INCH SERVICE)

2 INCH	$450.00
3 INCH	$750.00
4 INCH	$1,500.00
6 INCH	$3,000.00

LEAK ADJUSTMENT

$2.50 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSITS

As provided for by West Virginia law and in accordance with the Rules of the Public Service Commission of West Virginia.

MULTIPLE SERVICE RATES:

When more than one unit of space is served through a single meter, the monthly combined bill shall not be less than the minimum charge for the size meter installed times the number of separate units of space occupied during the month.

RESALE

(NC)	MOUNTAIN WATER DISTRICT: (As per Court Order)	$1.31 per 1,000 gallons
(NC)	MINGO COUNTY PSD	$1.87 per 1, 000 gallons

(NC) NO CHANGE THIS ORDINANCE

SCHEDULE E

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2012 and May 31, 2013

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $ 9.334 per 1,000
All over 3,000 gallons used $8.00 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $28.00 per month based on 3,000 gallons on water usage per month.

UNMETERED RATE

A flat fee of $40.00 based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE F

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, beginning June 1, 2013

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $ 10.00 per 1,000
All over 3,000 gallons used $8.00 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $30.00 per month based on 3,000 gallons on water usage per month.

UNMETERED RATE

A flat fee of $42.00 based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SECTION 2. SCHEDULE OF SEWER RATES

SCHEDULE I-A

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between July 28, 2007 and May 31, 2009.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $7.10 per 1,000 gallons per month
All over 3,000 gallons used $7.10 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $21.30 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $31.95, based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE I-B

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2009 and May 31, 2010.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used	$8.00	per 1,000 gallons per month
All over 3,000 gallons used	$7.10	per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $24.00 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $34.65 based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE I-C

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2010 and May 31, 2011.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used	$8.50	per 1,000 gallons per month
All over 3,000 gallons used	$7.00	per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $25.50 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $36.00, based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE I-D

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2011 and May 31, 2012.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used	$9.00	per 1,000 gallons per month
All over 3,000 gallons used	$7.00	per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $27.00 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $37.50, based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SEWER RATES COMMON TO SCHEDULES I-A, I-B, I-C, I-D, 1-F

TAP FEE

$350.00

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $350 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid in full within twenty (20) days, 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.

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills, a disconnection fee of $25.00 shall be charged; or in the event the delinquent sewer bill is collected by the water department in the field, an administrative fee of $25.00 shall be charged. A $25.00 reconnection fee will be assessed for each occurrence where water service to sewer customers is restored, after water service has been terminated for non-payment of sewer bills.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reason, the Boards charge to the customer for such returned check shall be $25.00.

LEAK ADJUSTMENT INCREMENT

$3.50 per 1,000 gallons

To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customers side of the meter. This rate is used to calculate consumption above the customers historical average usage.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

Where the City has discovered that a customers roof drain, down spouts, 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 City in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

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

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall, in inches

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The City's approved rate per thousand gallons of metered water usage

The City shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the 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

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

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

$$Ci = VoVi + BoBi + SoSi$$

Ci = charge to unusual users per year

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

Vi = volume of waste water from unusual users, in gallons per year

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

Bi = weight of BOD from unusual users, in pounds per year

So = average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound

Si = weight of total solids from unusual users, in pounds per year

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

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the City records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the City, 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.

Comment - Not part of the rate schedule:
This schedule is included on an if-and-when basis.

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE OF THE CORPORATE LIMITS OF

CITY OF WILLIAMSON

Where the amount of sanitary sewage discharged into the City's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plants water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the City a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

This explanation is not part of the rate schedule:
This schedule is included on an if-and-when basis.

SCHEDULE V

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for wastewater and leachate haulers.

RATES

Commodity Charge - Each hauler shall pay a commodity charge of $50.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate as determined or verified by Williamson.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid in full within twenty (20) days, 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

If a check received is returned by the bank for any reason, the City's charge to the customer for such returned check shall be $25.00.

SECTION 3. EFFECTIVE DATE

The initial rates, charges and penalties provided herein first shall become effective on July 27, 2007, which is more than forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES, ETC.

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 5. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in the Willamson Daily News, a qualified newspaper published and of general circulation in the City of Williamson, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Williamson, West Virginia, on the 14th day of June, 2007, at 5:00 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 in the premises.

Passed on First Reading:

MAYOR

City Clerk

Passed on Second Reading
Following Public Hearing:

CERTIFICATION AND NOTICE

The foregoing Ordinance has been introduced and adopted on first reading at a meeting of the Council held on Thursday, May 10, 2007. Any person interested may appear before the Council of the City of Williamson at the City Hall in Williamson, West Virginia, on the Thursday, June 14, 2007, at 5:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Recorder in the City Hall, Williamson, West Virginia.

Recorder

P.S.C. W. Va. No. 12
Canceling P.S.C. W. Va. No. 11

ORDW WILLIAMSON 07A

CITY OF WILLIAMSON, a municipal corporation

OF

WILLIAMSON, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

WATER

at Williamson and vicinity, Mingo County, West Virginia

Filed with THE **PUBLIC SERVICE COMMISSION**
of
WEST VIRGINIA

RECEIVED
07 SEP 18 AM 9:05
W. VA. PUBLIC SERVICE COMMISSION
ENGINEERING OFFICE

Issued September 4, 2007

Effective for service rendered on and after July 29, 2007
or as otherwise provided herein

Passed by City Council

Issued by City of Williamson, a municipal corporation

By _____

Mayor
Title

RULES AND REGULATIONS

I. 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.

SCHEDULE NO. 1

STEP 1

(C) APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between July 28, 2007 through May 31, 2007.

(C) AVAILABILITY

Available for residential, commercial, governmental, industrial and sale for resale water service.

(C,I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$5.50 per 1,000 gallons
Next	17,000 gallons used per month	$4.00 per 1,000 gallons
Next	30,000 gallons used per month	$3.75 per 1,000 gallons
Next	50,000 gallons used per month	$3.60 per 1,000 gallons
All over	100,000 gallons used per month	$3.50 per 1,000 gallons

(C,I) MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $16.50 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 16.50 per month
3/4 inch meter	$ 16.50 per month
1 inch meter	$ 41.25 per month
1 - 1/2 inch meter	$ 82.50 per month
2 inch meter	$ 132.00 per month
3 inch meter	$ 247.00 per month
4 inch meter	$ 412.00 per month
6 inch meter	$ 825.00 per month
8 inch meter	$1,320.00 per month

(N) FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $22.50 per month

(C) Indicates change in text
(I) Indicates increase
(N) Indicates new

SCHEDULE NO. 2

STEP 1

(C) APPLICABILITY
Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between July 28, 2007 through May 31, 2008.

(C) AVAILABILITY
Available for general residential, commercial, industrial and sale for resale water service.

(C,I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$4.75 per 1,000 gallons
Next	50,000 gallons used per month	$4.40 per 1,000 gallons
Next	900,000 gallons used per month	$4.25 per 1,000 gallons
All over	1,000,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE (customers with metered water supply)
No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 24.00 per month
3/4 inch meter	$ 24.00 per month
1 inch meter	$ 60.00 per month
1 - 1/2 inch meter	$ 120.00 per month
2 inch meter	$ 192.00 per month
3 inch meter	$ 360.00 per month
4 inch meter	$ 600.00 per month
6 inch meter	$1,200.00 per month
8 inch meter	$1,920.00 per month

(N) FLAT RATE CHARGE (Customers with non-metered water supply)
Equivalent to 4,500 gallons of water usage $33.00 per month

(C) Indicates change in text
(I) Indicates increase
(N) Indicates new

SCHEDULE NO. 1

STEP 2

(C) APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2008 through May 31, 2009.

AVAILABILITY

Available for residential, commercial, governmental, industrial and sale for resale water service.

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$6.00 per 1,000 gallons
Next	17,000 gallons used per month	$5.00 per 1,000 gallons
Next	30,000 gallons used per month	$4.00 per 1,000 gallons
Next	50,000 gallons used per month	$4.00 per 1,000 gallons
All over	100,000 gallons used per month	$3.50 per 1,000 gallons

(I) MINIMUM CHARGE

No minimum bill will be rendered for less than $18.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 18.00 per month
3/4 inch meter	$ 18.00 per month
1 inch meter	$ 45.00 per month
1 - 1/2 inch meter	$ 90.00 per month
2 inch meter	$ 144.00 per month
3 inch meter	$ 270.00 per month
4 inch meter	$ 450.00 per month
6 inch meter	$ 900.00 per month
8 inch meter	$1,440.00 per month

(I) FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $25.50 per month

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 2

STEP 2

(C) APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2008 through May 31, 2009.

AVAILABILITY

Available for general residential, commercial, industrial and sale for resale water service.

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$4.75 per 1,000 gallons
Next	50,000 gallons used per month	$4.40 per 1,000 gallons
Next	900,000 gallons used per month	$4.25 per 1,000 gallons
All over	1,000,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 24.00 per month
3/4 inch meter	$ 24.00 per month
1 inch meter	$ 60.00 per month
1 - 1/2 inch meter	$ 120.00 per month
2 inch meter	$ 192.00 per month
3 inch meter	$ 360.00 per month
4 inch meter	$ 600.00 per month
6 inch meter	$1,200.00 per month
8 inch meter	$1,920.00 per month

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $33.00 per month

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 1

STEP 3

(C) APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2009 through May 31, 2010.

(C) AVAILABILITY

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

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$7.00 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$5.00 per 1,000 gallons
Next	50,000 gallons used per month	$4.40 per 1,000 gallons
All over	100,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE

No minimum bill will be rendered for less than $21.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 21.00 per month
3/4 inch meter	$ 21.00 per month
1 inch meter	$ 52.50 per month
1 - 1/2 inch meter	$ 105.00 per month
2 inch meter	$ 168.00 per month
3 inch meter	$ 315.00 per month
4 inch meter	$ 525.00 per month
6 inch meter	$1,050.00 per month
8 inch meter	$1,680.00 per month

(I) FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $30.00 per month

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 2

STEP 3

(C) APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2009 through May 31, 2010.

(C) AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$5.00 per 1,000 gallons
Next	50,000 gallons used per month	$4.40 per 1,000 gallons
Next	900,000 gallons used per month	$4.40 per 1,000 gallons
All over	1,000,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 24.00 per month
3/4 inch meter	$ 24.00 per month
1 inch meter	$ 60.00 per month
1 - 1/2 inch meter	$ 120.00 per month
2 inch meter	$ 192.00 per month
3 inch meter	$ 360.00 per month
4 inch meter	$ 600.00 per month
6 inch meter	$1,200.00 per month
8 inch meter	$1,920.00 per month

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $33.00 per month

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 1

STEP 4

(C) APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2010 through May 31, 2011.

(C) AVAILABILITY

Available for general residential, commercial, industrial and sale for resale (non contract) water service.

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$7.50 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$5.00 per 1,000 gallons
Next	50,000 gallons used per month	$4.50 per 1,000 gallons
All over	100,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE

No minimum bill will be rendered for less than $22.50 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 22.50 per month
3/4 inch meter	$ 22.50 per month
1 inch meter	$ 56.25 per month
1 - 1/2 inch meter	$ 112.50 per month
2 inch meter	$ 180.00 per month
3 inch meter	$ 337.00 per month
4 inch meter	$ 562.00 per month
6 inch meter	$1,125.00 per month
8 inch meter	$1,800.00 per month

(I) FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $31.50 per month

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 2

STEP 4

(C) APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2010 through May 31, 2011.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$5.00 per 1,000 gallons
Next	50,000 gallons used per month	$4.50 per 1,000 gallons
Next	900,000 gallons used per month	$4.00 per 1,000 gallons
All over	1,000,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE (customers with metered water supply)

No bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 24.00 per month
3/4 inch meter	$ 24.00 per month
1 inch meter	$ 60.00 per month
1 - 1/2 inch meter	$ 120.00 per month
2 inch meter	$ 192.00 per month
3 inch meter	$ 360.00 per month
4 inch meter	$ 600.00 per month
6 inch meter	$1,200.00 per month
8 inch meter	$1,920.00 per month

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $33.00 per month

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 2

STEP 5

(C) APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, on bills rendered between June 1, 2011 through May 31, 2012.

(C) AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	3,000 gallons used per month	$8.00 per 1,000 gallons
Next	17,000 gallons used per month	$6.00 per 1,000 gallons
Next	30,000 gallons used per month	$5.00 per 1,000 gallons
Next	50,000 gallons used per month	$4.50 per 1,000 gallons
Next	100,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE (customers with metered water supply)

No bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 24.00 per month
3/4 inch meter	$ 24.00 per month
1 inch meter	$ 60.00 per month
1 - 1/2 inch meter	$ 120.00 per month
2 inch meter	$ 192.00 per month
3 inch meter	$ 360.00 per month
4 inch meter	$ 600.00 per month
6 inch meter	$1,200.00 per month
8 inch meter	$1,920.00 per month

FLAT RATE CHARGE (Customers with non-metered water supply)
Equivalent to 4,500 gallons of water usage $33.00 per month

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 2

STEP 6

(C) APPLICABILITY

Applicable in entire territory served on bills rendered by the City of Williamson, West Virginia, beginning June1, 2012.

(C) AVAILABILITY

Available for residential, commercial, industrial and resale water service.

(I) RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First	4,000 gallons used per month	$8.00 per 1,000 gallons
Next	96,000 gallons used per month	$6.00 per 1,000 gallons
Next	900,000 gallons used per month	$5.00 per 1,000 gallons
All over	1,000,000 gallons used per month	$4.00 per 1,000 gallons

(I) MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum	
5/8 inch meter	$ 24.00 per month
3/4 inch meter	$ 24.00 per month
1 inch meter	$ 60.00 per month
1 - 1/4 inch meter	$ 87.60 per month
1 - 1/2 inch meter	$ 120.00 per month
2 inch meter	$ 192.00 per month
3 inch meter	$ 360.00 per month
4 inch meter	$ 600.00 per month
6 inch meter	$1,200.00 per month
8 inch meter	$1,920.00 per month

(I) FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage $35.00 per month

(C) Indicates change in text
(I) Indicates increase

RATES

(C,I) Where connections, hydrants, sprinklers, etc., on property maintained by customer:

	Per Annum
2 inch service line with hydrants, sprinklers, and/or connections	$ 60.00
3 inch service line with hydrants, sprinklers, and/or connections	$ 120.00
4 inch service line with hydrants, sprinklers, and/or connections	$ 240.00
6 inch service line with hydrants, sprinklers, and/or connections	$ 480.00
8 inch service line with hydrants, sprinklers, and/or connections	$ 960.00
10 inch service line with hydrants, sprinklers, and/or connections	$1,920.00
12 inch service line with hydrants, sprinklers, and/or connections	$3,840.00

(N) RETURNED CHECKS 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.

(C) DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent 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.

(C,I) RECONNECTION/ADMINISTRATIVE FEE

There shall be a $25.00 charge paid prior to restoration of water service which had been disconnected for any reason. This charge shall also apply as an administrative fee when bills are collected at the customer's residence or any place other than the billing office.

(N) TAP FEE (UP TO AND INCLUDING 1 INCH SERVICE)

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is bid in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the bidding of the construction project that is associated with a certificate proceeding.

A tap fee of $350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(C) Indicates change in text
(I) Indicates increase
(N) Indicates new

TAP FEE (ABOVE 1 INCH SERVICE)

2 inch	$450.00
3 inch	$750.00
4 inch	$1,500.00
6 inch	$3,000.00

(N) LEAK ADJUSTMENT

$2.50 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(N) SECURITY DEPOSITS

As provided for by West Virginia law and in accordance with the Rules of the Public Service Commission of West Virginia.

(N) MULTIPLE SERVICE RATES

When more than one unit of space is served through a single meter, the monthly combined shall not be less than the minimum charge for the size meter installed times the number of separate units of space occupied during the month.

(N) RESALE

Mountain Water District: (As per Court Order)	$1.31 per 1,000 gallons
Mingo County PSD	$1.87 per 1,000 gallons

(O) METER DEPOSIT

(O) UNMETERED ACCOUNTS

(N) Indicates new
(O) Indicates omission

06/18/07 04:05pm P. 001

State of West Virginia, Mingo County, to-wit:

I, Gaither Perry, Publisher of Williamson Daily News, a paper published in the County aforesaid, do affirm that Notice hereto attached was published in said paper for 2 successive weeks, the first publication thereof being on the 31st day of May 2007 and the subsequent publication on the 7th day of June 2007, the _____ day of _____, 2007, the _____ day of _____ 2006, and the _____ day of _____, 2007.

[signature]

State of West Virginia, Mingo, to-wit:

_____ being duly sworn, says that he posted a copy of the annexed _____ at the front door of the Court House of said County, on the _____ day of _____, 2007.

Taken, subscribed and sworn to before me, this 7th day of June 2007. Printer's fee $ 1443.44

Paula Oates
Notary Public

RECEIVED
07 JUN 19 PM 2:22
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

LEGAL ADVE

CITY OF WI

AN ORDINANCE ESTABLISHING AND FIXING RATES, DELAYED PAYMENT PENALTI FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTE

Be it ORDAINED by the City Council of the City of Williamson, West Virginia:

1. This Ordinance is enacted pursuant to the provisions of West Virginia Code, Chapter 8, Article 20, Section 10, and other applicable statutes and provisions of law.

2. This Ordinance is necessary in order to allow the City of Williamson to generate revenue sufficient to pay the current operating costs of the system and to meet the debt service requirements of the system while generating sufficient capital to meet the necessary reserves and other requirements of the Bond Ordinance previously enacted.

3. As a result of the foregoing, it is here FOUND, DETERMINED and DECLARED that the present water, sewage and sewage disposal rates heretofore approved the previous ordinances are inadequate and the revenues derived by the City therefrom are insufficient to provide for the operation of said system while at the same time generating sufficient capital to meet the City's debt service requirements, as well as the requirements for necessary reserve under the Bond Ordinance previously enacted.

4. Upon review of financial data submitted to this Council by the Williamson Utility Board, it is accordingly adjudged to be necessary that the following rates be enacted by the City of Williamson and that the same be charged for the furnishing of water, sewerage and sewerage disposal services to customers at Williamson, Mingo County, West Virginia.

WHEREFORE, THE CITY COUNCIL OF THE CITY OF WILLIAMSON HEREBY ORDAINS: The following schedule of rates, delayed payment penalties, connection charges, reconnection charges and other charges are hereby fixed and determined as the rates, delayed payment penalties, connection charges, reconnection charges and other charges to be charged to customers of the waterworks system and sewerage system of the City of Williamson throughout the territory served.

SECTION 1. SCHEDULE OF WATER RATES

SCHEDULE NO. 1

STEP 1

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between July 28, 2007 through May 31, 2008.

AVAILABILITY

Available for residential, commercial, governmental, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $5.50 per 1,000 gallons

Next 17,000 gallons used per month $4.00 per 1,000 gallons

Next 30,000 gallons used per month $3.75 per 1,000 gallons

Next 50,000 gallons used per month $3.60 per 1,000 gallons

All over 100,000 gallons used per month $3.50 per 1,000 gallons

MINIMUM CHARGE (Customers with metered water supply)

No minimum bill will be rendered for less than $16.50 per month which is equivalent to 3,000 gallons of water usage

Minimum

WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $33.00.

SCHEDULE NO. 1

STEP 2

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, on bills rendered between June 1, 2008 through May 31, 2009.

AVAILABILITY

Available for residential, commercial, governmental, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $6.00 per 1,000 gallons

Next 17,000 gallons used per month $5.00 per 1,000 gallons

Next 30,000 gallons used per month $4.00 per 1,000 gallons

Next 50,000 gallons used per month $4.00 per 1,000 gallons

All over 100,000 gallons used per month $3.50 per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $18.00 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8 inch meter $18.00

3/4 inch meter $18.00

1 inch meter $45.00

1-1/2 inch meter $90.00

2 inch meter $144.00

3 inch meter $270.00

4 inch meter $450.00

6 inch meter $900.00

8 inch meter $1440.00

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $25.50.

SCHEDULE NO. 2

STEP 2

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2008 through May 31, 2009.

AVAILABILITY

Available for general residential, commercial, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $8.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $4.75 per 1,000 gallons

Next 50,000 gallons used per month $4.40 per 1,000 gallons

Next 900,000 gallons used per month $4.25 per 1,000 gallons

All over 1,000,000 gallons used per month $4.00 per 1,000 gallons

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $33.00.

MINIMUM CHARGE

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8 inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $8.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $5.00 per 1,000 gallons

Next 50,000 gallons used per month $4.40 per 1,000 gallons

Next 900,000 gallons used per month $4.40 per 1,000 gallons

All Over 1,000,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum

5/8 inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

6 inch meter $1,200.00

8 inch meter $1,920.00

FLAT RATE CHARGE $33.00

(Customers with non-metered water supply)

(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 1

STEP 4

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2010 through May 31, 2011.

AVAILABILITY

Available for general residential, commercial, industrial and sale for resale (non contract) water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $7.50 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $5.00 per 1,000 gallons

Next 50,000 gallons used per month $4.50 per 1,000 gallons

All Over 100,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $22.50 per month which is equivalent to 3,000 gallons of water usage.

Minimum

5/8 inch meter $22.50

3/4 inch meter $22.50

1 inch meter $56.25

1-1/2 inch meter $112.50

2 inch meter $180.00

3 inch meter $337.50

4 inch meter $562.50

6 inch meter $1,125.00

8 inch meter $1,800.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$31.50 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 4

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, on bills rendered between June 1, 2010 through May 31, 2011.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

PUBLIC SERVICE COMMISSION
WATER & WASTEWATER DIVISION
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PUBLIC SERVICE COMMISSION

Williamson throughout the territory served.

SECTION 1. SCHEDULE OF WATER RATES

SCHEDULE NO. 1

STEP 1

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between July 28, 2007 through May 31, 2008.

AVAILABILITY

Available for residential, commercial, governmental, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $5.50 per 1,000 gallons

Next 17,000 gallons used per month $4.00 per 1,000 gallons

Next 30,000 gallons used per month $3.75 per 1,000 gallons

Next 50,000 gallons used per month $3.60 per 1,000 gallons

All over 100,000 gallons used per month $3.50 per 1,000 gallons

MINIMUM CHARGE (Customers with metered water supply)

No minimum bill will be rendered for less than $16.50 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8 inch meter $16.50

3/4 inch meter $16.50

1 inch meter $41.25

1-1/2 inch meter $82.50

2 inch meter $132.00

3 inch meter $247.50

4 inch meter $412.50

6 inch meter $825.00

8 inch meter $1,320.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$22.50 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 1

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between July 28, 2007 through May 31, 2008.

AVAILABILITY

Available for general residential, commercial, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $8.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $4.75 per 1,000 gallons

Next 50,000 gallons used per month $4.40 per 1,000 gallons

Next 900,000 gallons used per month $4.25 per 1,000 gallons

All Over 1,000,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

6 inch meter $1200.00

8 inch meter $1920.00

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED commercial, industrial and sale for resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $8.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $4.75 per 1,000 gallons

Next 50,000 gallons used per month $4.40 per 1,000 gallons

Next 900,000 gallons used per month $4.25 per 1,000 gallons

All over 1,000,000 gallons used per month $4.00 per 1,000 gallons

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $33.00.

MINIMUM CHARGE

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8 inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

6 inch meter $1,200.00

8 inch meter $1,920.00

SCHEDULE NO. 1

STEP 3

APPLICABILITY

Applicable within the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2009 through May 31, 2010.

AVAILABILITY

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

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $7.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $5.00 per 1,000 gallons

Next 50,000 gallons used per month $4.40 per 1,000 gallons

All over 100,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $21.00 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8 inch meter $21.00

3/4 inch meter $21.00

1 inch meter $52.50

1-1/2 inch meter $105.00

2 inch meter $168.00

3 inch meter $315.00

4 inch meter $525.00

6 inch meter $1050.00

8 inch meter $1680.00

FLAT RATE CHARGE (CUSTOMERS WITH NON-METERED WATER SUPPLY)

Equivalent to 4,500 gallons of water usage, $30.00.

SCHEDULE NO. 2

STEP 3

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, served on bills rendered between June 1, 2009 through May 31, 2010.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $8.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $5.00 per 1,000 gallons

Next 50,000 gallons used per month $4.50 per 1,000 gallons

Next 900,000 gallons used per month $4.00 per 1,000 gallons

All Over 1,000,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8 inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

6 inch meter $1,200.00

8 inch meter $1,920.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$31.50 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 4

APPLICABILITY

Applicable outside the corporate limits of the City of Williamson, West Virginia, on bills rendered between June 1, 2010 through May 31, 2011.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $8.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $5.00 per 1,000 gallons

Next 50,000 gallons used per month $4.50 per 1,000 gallons

Next 900,000 gallons used per month $4.00 per 1,000 gallons

All Over 1,000,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage

Minimum

5/8 inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

6 inch meter $1,200.00

8 inch meter $1,920.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$33.00 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 5

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, on bills rendered between June 1, 2011 through May 31, 2012.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 3,000 gallons used per month $8.00 per 1,000 gallons

Next 17,000 gallons used per month $6.00 per 1,000 gallons

Next 30,000 gallons used per month $5.00 per 1,000 gallons

Next 50,000 gallons used per month $4.50 per 1,000 gallons

Next 100,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE (customers

RTISEMENT

.IAMSON

S, CONNECTION CHARGES, RECONNECTION CHARGES AND OTHER CHARGES

I AND SEWERAGE SYSTEM OF THE CITY OF WILLIAMSON

with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons of water usage.

Minimum

5/8 inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

6 inch meter $1,200.00

8 inch meter $1,920.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$33.00 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE NO. 2

STEP 6

APPLICABILITY

Applicable in entire territory served on bills rendered by the City of Williamson, West Virginia, beginning June 1, 2012

AVAILABILITY

Available for residential, commercial, industrial and resale water service.

RATES (CUSTOMERS WITH METERED WATER SUPPLY)

First 4,000 gallons used per month $8.00 per 1,000 gallons

Next 96,000 gallons used per month $6.00 per 1,000 gallons

Next 900,000 gallons used per month $5.00 per 1,000 gallons

All over 1,000,000 gallons used per month $4.00 per 1,000 gallons

MINIMUM CHARGE (customers with metered water supply)

No minimum bill will be rendered for less than $24.00 per month which is equivalent to 3,000 gallons.

Minimum

5/8 inch meter $24.00

3/4 inch meter $24.00

1 inch meter $60.00

1/14 inch meter $87.60

1-1/2 inch meter $120.00

2 inch meter $192.00

3 inch meter $360.00

4 inch meter $600.00

6 inch meter $1,200.00

8 inch meter $1,920.00

FLAT RATE CHARGE (Customers with non-metered water supply)

$35 .00 per month (Equivalent to 4,500 gallons of water usage)/

RATES

(N) Where connections, hydrants, sprinklers, etc., on property maintained by customer:

Per Annum

2 inch service line with hydrants, sprinklers, and/or connections $60.00

3 inch service line with hydrants, sprinklers, and/or connections $120.00

4 inch service line with hydrants, sprinklers, and/or connections $240.00

6 inch service line with hydrants, sprinklers, and/or connections $480.00

8 inch service line with hydrants, sprinklers, and/or connections $960.00

10 inch service line with hydrants, sprinklers, and/or connections $1,920.00

12 inch service line with hydrants, sprinklers, and/or connections $3,840.00

WATER RATES COMMON TO ALL SCHEDULES

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of Rules of the Public Service Commission of West Virginia.

MULTIPLE SERVICE RATES:

When more than one unit of space is served through a single meter, the monthly combined bill shall not be less than the minimum charge for the size meter installed times the number of separate units of space occupied during the month.

RESALE

(NC) MOUNTAIN WATER DISTRICT: $1.31 per 1,000 gallons

(As per Court Order)

(NC) MINGO COUNTY PSD $1.87 per 1,.000 gallons

(NC) NO CHANGE THIS ORDINANCE

SECTION 2. SCHEDULE OF SEWER RATES

SCHEDULE I-A

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between July 28, 2007 and May 31, 2009.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $7.10 per 1,000 gallons per month

All over 3,000 gallons used $7.10 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $21.30 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $31.95, based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE I-B

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2009 and May 31, 2010.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $8.00 per 1,000 gallons per month

All over 3,000 gallons used $7.10 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $24.00 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $34.65 based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE I-C

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2010 and May 31, 2011.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $8.50 per 1,000 gallons per month

All over 3,000 gallons used $7.00 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $25.50 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

by the City of Williamson, Wes Virginia, beginning June 1, 2013

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusua industrial waste) and resale (nor contract) sewer service.

RATES.

First 3,000 gallons used $ 10.0(per 1,000

All over 3,000 gallons used $8.0(per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $30.00 per montl based on 3,000 gallons on wate usage per month.

UNMETERED RATE

A flat fee of $42.00 based on 4,50(gallons of water usage per month will be charged for all unmeterec water customers.

SEWER RATES COMMON TC SCHEDULES I-A, I-B, I-C, I-D, 1-F

TAP FEE

$350.00

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $100 will be charged tc customers applying for service before construction is completec adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-constructior tap fee will be invalid after the completion of construction adjacent tc an applicant's premises that is associated with a certificate proceeding.

A tap fee of $350 will be charged tc all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system:

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid in ful within twenty (20) days, ten percent (10%) will be added to the ne current amount unpaid. This delayed payment penalty is no interest and is to be collected only once for each bill where it is appropriate.

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES

Whenever water service has beer disconnected for non-payment o sewer bills, a disconnection fee o $25.00 shall be charged; or in the event the delinquent sewer bill is collected by the water departmen in the field, an administrative fee o $25.00 shall be charged. A $25.0(reconnection fee will be assessec for each occurrence where wate service to sewer customers is restored, after water service has been terminated for non-paymen of sewer bills.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reason, the Boards charge to the customer lor such returned check shall be $25.00.

LEAK ADJUSTMENT INCREMENT $3.50 per 1,000 gallons

To be used when the bill reflects unusual consumption which can be attributed to eligible leakage or customers side of the meter. This rate is used to calculate consumption above the customers historica average usage.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

$35 .00 per month (Equivalent to 4,500 gallons of water usage)/

RATES

(N) Where connections, hydrants, sprinklers, etc., on property maintained by customer:

Per Annum

2 inch service line with hydrants, sprinklers, and/or connections $60.00

3 inch service line with hydrants, sprinklers, and/or connections $120.00

4 inch service line with hydrants, sprinklers, and/or connections $240.00

6 inch service line with hydrants, sprinklers, and/or connections $480.00

8 inch service line with hydrants, sprinklers, and/or connections $960.00

10 inch service line with hydrants, sprinklers, and/or connections $1,920.00

12 inch service line with hydrants, sprinklers, and/or connections $3,840.00

WATER RATES COMMON TO ALL SCHEDULES

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.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent 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.

RECONNECTION/ADMINISTRATIVE FEE

There shall be a $25.00 charge paid prior to restoration of water service which had been disconnected for any reason. This charge shall also apply as an administrative fee when bills are collected at the customer's residence or any place other than the billing office.

TAP FEE (UP TO AND INCLUDING 1 INCH SERVICE)

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is bid in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the bidding of the construction project that is associated with a certificate proceeding.

A tap fee of $350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

TAP FEE (ABOVE 1 INCH SERVICE)

2 INCH $450.00

3 INCH $750.00

4 INCH $1,500.00

6 INCH $3,000.00

LEAK ADJUSTMENT

$2.50 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSITS

As provided for by West Virginia law and in accordance with the

All over 3,000 gallons used $7.10 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $24.00 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $34.65 based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE I-C

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2010 and May 31, 2011.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $8.50 per 1,000 gallons per month

All over 3,000 gallons used $7.00 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $25.50 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $36.00, based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE I-D

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2011 and May 31, 2012.

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $9.00 per 1,000 gallons per month

All over 3,000 gallons used $7.00 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $27.00 per month based on 3,000 gallons of water usage per month.

UNMETERED RATE

A flat fee of $37.50, based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE E

APPLICABILITY

Applicable in entire territory served by the City of Williamson, West Virginia, between June 1, 2012 and May 31, 2013

AVAILABILITY OF SERVICE

Available for domestic, commercial, industrial (except unusual industrial waste) and resale (non contract) sewer service.

RATES

First 3,000 gallons used $ 9.334 per 1,000

All over 3,000 gallons used $8.00 per 1,000 gallons per month

MINIMUM BILL

Each customer shall pay a minimum charge of $28.00 per month based on 3,000 gallons on water usage per month.

UNMETERED RATE

A flat fee of $40.00 based on 4,500 gallons of water usage per month, will be charged for all unmetered water customers.

SCHEDULE F

APPLICABILITY

Applicable in entire territory served

sewer bills, a disconnection fee of $25.00 shall be charged; or in the event the delinquent sewer bill is collected by the water department in the field, an administrative fee of $25.00 shall be charged. A $25.00 reconnection fee will be assessed for each occurrence where water service to sewer customers is restored, after water service has been terminated for non-payment of sewer bills.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reason, the Boards charge to the customer for such returned check shall be $25.00.

LEAK ADJUSTMENT INCREMENT $3.50 per 1,000 gallons

To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customers side of the meter. This rate is used to calculate consumption above the customers historical average usage.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

Where the City has discovered that a customers roof drain, down spouts, 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 City in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

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

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall in inches

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The City's approved rate per thousand gallons of metered water usage

The City shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the 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.

Continued on Page 3B

Continued from Page 2B

SCHEDULE III
SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

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

Ci = VoVi + BoBi + SoSi

Ci = charge to unusual users per year

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

Vi = volume of waste water from unusual users, in gallons per year

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

Bi = weight of BOD from unusual users, in pounds per year

So = average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound

Si = weight of total solids from unusual users, in pounds per year

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

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the City records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the City, 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.

Comment - Not part of the rate schedule:

This schedule is included on an if-and-when basis.

SCHEDULE IV
APPLICABLE INSIDE AND OUTSIDE OF THE CORPORATE LIMITS OF
CITY OF WILLIAMSON

Where the amount of sanitary sewage discharged into the City's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plants water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the City a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

This explanation is not part of the rate schedule:

This schedule is included on an if-and-when basis.

SCHEDULE V
APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for wastewater and leachate haulers.

RATES

Commodity Charge - Each hauler shall pay a commodity charge of $50.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate as determined or verified by Williamson.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid in full within twenty (20) days, 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

If a check received is returned by the bank for any reason, the City's charge to the customer for such returned check shall be $25.00.

SECTION 3. EFFECTIVE DATE

The initial rates, charges and penalties provided herein first shall become effective on July 27, 2007, which is more than forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES, ETC.

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

5:31; 6:7

C. CHRISTOPHER YOUNGER
ATTORNEY AT LAW

Phone 304-235-3555
Fax 304-235-1808

106 Logan Street
Williamson, West Virginia 25661

July 12, 2007

RECEIVED
2007 JUL 13 AM 8:43
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
PO Box 812
Charleston, WV 25323

ORDS Williamson 07B
ORDW Williamson 07A

In Re: Rate increase for water and sewer

Dear Ms. Squire:

Please find enclosed an affidavit of the tariff form 12, which was published in the Williamson Daily News. We were unable to accomplish a press release to coordinate with the legal ad.

If you need anything else please let me know.

Cordially,

Wannetta

Wannetta J. Sansom
Legal Assistant

State of West Virginia, Mingo County, to-wit:

I, Gaither Perry, Publisher of Williamson Daily News, a paper published in the County aforesaid, do affirm that Notice hereto attached was published in said paper for 1 successive weeks, the first publication thereof being on the 20th day of June 2007 and the subsequent publication on the _____ day of _____ 2007, the _____ day of _____, 2007, the _____ day of _____ 2006, and the _____ day of _____, 2007.

State of West Virginia, Mingo, to-wit:

_____ being duly sworn, says that he posted a copy of the annexed _____ _____ at the front door of the Court House of said County, on the _____ day of _____, 2007.

Taken, subscribed and sworn to before me, this 20th day of June 2007. Printer's fee $ 342.56

Paula Ooten
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
PAULA OOTEN
RT 1 BOX 3552
DELBARTON, WV 25670
My commission expires July 29, 2014

RECEIVED
2007 JUL 13 AM 8:43
W VA PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

LEGAL ADVERTISEMENT

Tariff Form No. 12
PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE IS HEREBY GIVEN THAT THE CITY OF WILLIAMSON has adopted by ordinance on June 14, 07 an ordinance containing a six phase increase in rates to said charges for furnishing sewer service to customers at illiamson and vicinity, Mingo County, West Virginia.

The proposed **Phase I** increased rates and charges will become effective July 28, 2007 unless otherwise se defer by the Public Service Commission and will produce approximately $286,913 annually in additional revenue, an rease of 34%. The average monthly bill for the various classes of customers will be changed as follows:

ASED ON	$ INCREASE	INCREASE (%)
esidential (4,500 gal/mo.)	$8.01	33.5%
ommercial (4,500 gal/mo.)	$8.01	33.5%
dustrial (4,500 gal/mo.)	$8.01	33.5%
overnmental (4,500 gal/mo.)	$8.01	33.5%
esale	Not Applicable	Not Applicable

The proposed **Phase II** increased rates and charges will become effective June 1, 2009, otherwise ordered by e Public Service Commission. The Phase II rates will produce approximately $47,192 annually in additional revenue, increase of 4.3%. The average monthly bill for the various classes of customers will be changed as follows:

ASED ON	$ INCREASE	INCREASE (%)
esidential (4,500 gal/mo.)	$2.70	8.5%
ommercial (4,500 gal/mo.)	$2.70	8.5%
dustrial (4,500 gal/mo.)	$2.70	8.5%
overnmental (4,500 gal/mo.)	$2.70	8.5%
esale	Not Applicable	Not Applicable

The proposed **Phase III** increased rates and charges will become effective June 1, 2010, otherwise ordered the Public Service Commission. The Phase III rates will produce approximately $18,907 annually in additional rev nue, an increase of 1.6%. The average monthly bill for the various classes of customers will be changed as follows:

ASED ON	$ INCREASE	INCREASE (%)
esidential (4,500 gal/mo.)	$1.35	3.9%
ommercial (4,500 gal/mo.)	$1.35	3.9%
dustrial (4,500 gal/mo.)	$1.35	3.9%
overnmental (4,500 gal/mo.)	$1.35	3.9%
esale	Not Applicable	Not Applicable

The proposed **Phase IV** increased rates and charges will become effective June 1, 2011, otherwise ordered the Public Service Commission. The Phase IV rates will produce approximately $26,218 annually in additional rev nue, an increase of 2.2%. The average monthly bill for the various classes of customers will be changed as follows:

ASED ON	$ INCREASE	INCREASE (%)
esidential (4,500 gal/mo.)	$1.50	4.2%
ommercial (4,500 gal/mo.)	$1.50	4.2%
dustrial (4,500 gal/mo.)	$1.50	4.2%
overnmental (4,500 gal/mo.)	$1.50	4.2%
esale	Not Applicable	Not Applicable

The proposed **Phase V** increased rates and charges will become effective June 1, 2012, otherwise ordered b g public Service Commission. The Phase V rates will produce approximately $90,509 annually in additional revenue, an crease of 7.5%. The average monthly bill for the various classes of customers will be changed as follows:

ASED ON	$ INCREASE	INCREASE (%)
esidential (4,500 gal/mo.)	$2.50	6.7%
ommercial (4,500 gal/mo.)	$2.50	6.7%
dustrial (4,500 gal/mo.)	$2.50	6.7%
overnmental (4,500 gal/mo.)	$2.50	6.7%
esale	Not Applicable	Not Applicable

The proposed **Phase VI** increased rates and charges will become effective June 1, 2013, otherwise ordered the Public Service Commission. The Phase VI rates will produce approximately $34,922 annually in additional rev nue, an increase of 2.7%. The average monthly bill for the various classes of customers will be changed as follows:

ASED ON	$ INCREASE	INCREASE (%)
esidential (4,500 gal/mo.)	$2.00	5.0%
ommercial (4,500 gal/mo.)	$2.00	5.0%
dustrial (4,500 gal/mo.)	$2.00	5.0%
overnmental (4,500 gal/mo.)	$2.00	5.0%
esale	Not Applicable	Not Applicable

The increases shown are based on averages of all customers in the indicated class. Individual customers ay receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a roposal and are subject to change (increases or decreases) by 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) ays of the adoption of the ordinance changing said rates or charges by:

(1) Any customer served by the changed rates or charges who presents to the Commission a peti on signed by not less than twenty-five percent of the customers served by such municipally operated public utility, or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a peti on 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 o group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of dis rimination.

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 equested concerning it, is available to all customers, prospective customers, or their agents at the offices of the City of Williamson, East 4th Avenue, Williamson, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

RECEIVED
2007 JUL 13 AM 8:43
W. VA. PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

vicinity in Mingo County, West Virginia.

The proposed **Phase I** increased rates and charges for **both** inside and outside the corporate limits of the City of Williamson will become effective July 28, 2007, unless otherwise ordered by the Public Service Commission, and will produce approximately $249,139 annually in additional revenue, an increase of 23.3%. The average monthly bill for the various classes of customers will be changed as follows:

	INSIDE CITY		OUTSIDE CITY	
BASED ON	($) INCREASE	INCREASE (%)	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$8.55	61.3%	$10.50	46.7%
Commercial (4,500 gal/mo)	$8.55	61.3%	$10.50	46.7%
Industrial (4,500 gal/mo)	$8.55	61.3%	$10.50	46.7%
Governmental (4,500 gal/mo)	$8.55	61.3%	$10.50	46.7%
Resale	N/A	N/A	N/A	N/A

The proposed **Phase II** increased rates and charges for both inside and outside the corporate limits of the City of Williamson will become effective June 1, 2008, unless otherwise ordered by the Public Service Commission. The Phase II rates will produce approximately $102,567 annually in additional revenue, an increase of 7.6%. The average monthly bill for the various classes of customers will be changed as follows:

	INSIDE CITY		OUTSIDE CITY	
BASED ON	($) INCREASE	INCREASE (%)	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$3.00	13.3%		
Commercial (4,500 gal/mo)	$3.00	13.3%		
Industrial (4,500 gal/mo)	$3.00	13.3%		
Governmental (4,500 gal/mo)	$3.00	13.3%		
Resale	N/A	N/A	N/A	N/A

The proposed **Phase III** increased rates and charges for **both** inside and outside the corporate limits of the City of Williamson will become effective June 1, 2009, unless otherwise ordered by the Public Service Commission. The Phase III rates will produce approximately $104,819 annually in additional revenue, an increase of 7.4%. The average monthly bill for the various classes of customers will be changed as follows:

	INSIDE CITY		OUTSIDE CITY	
BASED ON	($) INCREASE	INCREASE (%)	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$4.30	17.6%		
Commercial (4,500 gal/mo)	$4.30	17.6%		
Industrial (4,500 gal/mo)	$4.30	17.6%		
Governmental (4,500 gal/mo)	$4.30	17.6%		
Resale	N/A	N/A	N/A	N/A

The proposed **Phase IV** increased rates and charges for **both** inside and outside the corporate limits of the City of Williamson will become effective June 1, 2010, otherwise ordered by the Public Service Commission. The Phase IV rates will produce approximately $29,966 annually in additional revenue, an increase of 2%. The average monthly bill for the various classes of customers will be changed as follows:

	INSIDE CITY		OUTSIDE CITY	
BASED ON	($) INCREASE	INCREASE (%)	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$1.50	5.0%		
Commercial (4,500 gal/mo)	$1.50	5.0%		
Industrial (4,500 gal/mo)	$1.50	5.0%		
Governmental (4,500 gal/mo)	$1.50	5.0%		
Resale	N/A	N/A	N/A	N/A

The proposed **Phase V** increased rates and charges for the **entire** territory served will become effective June 1, 2011, otherwise ordered by the Public Service Commission. The Phase V rates will produce approximately $30,423 annually in additional revenue, an increase of 2%. The average monthly bill for the various classes of customers will be changed as follows:

	INSIDE CITY	
BASED ON	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$1.50	4.8%
Commercial (4,500 gal/mo)	$1.50	4.8%
Industrial (4,500 gal/mo)	$1.50	4.8%
Governmental (4,500 gal/mo)	$1.50	4.8%
Resale	N/A	N/A

The proposed **Phase VI** increased rates and charges for the **entire** territory served will become effective June 1, 2012, otherwise ordered by the Public Service Commission. The Phase VI rates will produce approximately $4,000 annually in additional revenue, a decrease of <2%. The average monthly bill for the various classes of customers will be changed as follows:

BASED ON	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$2.00	6.1%
Commercial (4,500 gal/mo)	$2.00	6.1%
Industrial (4,500 gal/mo)	$2.00	6.1%
Governmental (4,500 gal/mo)	$2.00	6.1%
Resale	N/A	N/A

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 the filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility or

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

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

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

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers or their agents at the offices of the City of Williamson, East 4th Avenue, Williamson, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

MINUTES OF A MEETING OF THE CITY COUNCIL OF WILLIAMSON, WEST VIRGINIA, HELD IN THE COUNCIL CHAMBERS OF CITY HALL ON THURSDAY, MAY 10, 2007, AT 5:30 P.M.

Mayor McCormick opened the meeting by requesting that those present please bow their heads for the prayer, and which prayer was offered up by Mae Stallard. Following the prayer, Mayor McCormick requested those in attendance remain standing for reciting of the Pledge of Allegiance.

The Mayor then requested a Roll Call, and it was ascertained by Frances Frye, the City Clerk, that the following persons were present:

MAYOR:	DARRIN McCORMICK
COUNCIL MEMBERS:	FRANCES CRAWFORD MENTOLA JACKSON NICOLE McNAMEE
CITY ATTORNEY:	C. CHRISTOPHER YOUNGER

Councilman Brewster was absent from the meeting.

The Mayor then requested approval of Minutes of the meeting of April 26, 2007. Accordingly, Councilwoman Crawford moved that the aforesaid Minutes be approved , and which motion was seconded by Councilwoman Jackson, and carried.

Mayor McCormick then presented bills totaling $ 30,259.98 to be paid from the General Fund. Following review thereof, Councilwoman Jackson moved that the aforesaid bills be paid as the money becomes available, and which motion was seconded by Councilwoman Crawford, and carried.

Council was next requested to adopt and approve a Grievance Procedure and Labor Standards Complaint Procedure, both of which had been requested by Region II Planning & Development Council in connection with the demolition grant project. The Mayor read each procedure by title, and thereafter, Councilwoman

McNamee moved that both procedures be approved, and which motion was seconded by Councilwoman Jackson, and carried.

The next matter on the Agenda was a report by Reece Napier of Mingo "CAP" in regard to the Flex-E Grant and the fact that the grant is to be used to bring all council members throughout the county together and hopefully to get educational meetings scheduled locally by the WV Development Office, Main Street, the Housing Development Fund, the Municipal League, etc. He further advised that he has 3 tentative dates set up, being May 22nd, May 29th, and June 19th, all to be commenced at 6:00 p.m. at the Mountaineer Hotel Building. He also stated that they are applying for another grant that will bring activities to the seniors of our area and requested that the City write a letter in support of the grant. The Mayor expressed his appreciation to Mr. Napier for the work he is doing.

Council was then addressed by Linda Hurley of the Historical Foundation, who presented the City with a copy of the certificate designating certain areas of the City as a Historic District, namely, Prichard Street, Oak Street, Poplar Street, over to Reservation Hill, Elm and Mulberry Streets, and down to the historic City Hall building. She explained that their mission is to preserve history and invited everyone to attend their meetings, which are held on the first Tuesday of each month at the Brasstree. Mayor McCormick inquired if we need to reappoint members to the Historic Landmark Commission and Mrs. Hurley said that only one appointment is needed at this time.

The next matter coming before the council was a general discussion about the need for the City to purchase a new Garbage Truck. John Stallard recommended a Kenworth truck with a PakMor attached and gave a comparison of each of the quotes he had received. Mayor McCormick noted that in addition to the price, we

need to take into consideration the service, maintenance, etc. The City Clerk advised that she had already spoken with a representative of ComVest Leasing, who indicated they would be ready with financing whenever we get a truck, however, John Stallard said would likely take about six months to get the truck. He also advised that the new truck will not fit through our alleys and we will continue to use the pick-up truck in the alleys. Councilwoman McNamee moved that we purchase, by means of a lease/purchase agreement, the Kenworth at a cost of $106,477.08, and which motion was seconded by Councilwoman Jackson, and carried.

The Mayor next brought up the matter of scheduling a Community Workshop in each Ward in order to hear complaints from our citizens with a view towards alleviating or solving some problems. After looking at the calendar, a tentative schedule was approved, as follows: May 31st - Goodman Manor at 6:00 p.m. for a Ward 3 workshop; June 12th at 6:00 p.m. at Williamson Towers for Ward 1; July 10th at the Harry Joyce Center at 6:00 p.m. for Ward 2, and August 14th at the Community Center at 6:00 p.m. for Ward 4.

Mayor McCormick then advised that we need to revise the Water and Sewer Ordinance, noting that we do not make money on utilities and at the present time we are not making enough money to pay the bill when you take the rising fuel costs into consideration and the fact that we lost a large section at Fairview. He said at the present time we are pumping it over to a lift station, but that we need to move closer to the highway, away from the floodway. He went on to say that a project has been put together that will allow us to replace the lines down there and do much needed maintenance. He said the only way to accomplish what must be done is to raise the rates for everyone, noting that our rates are cheap compared to a lot of others, and

went on to say that one reason we did not qualify for a loan was because our rates are too low. He stated that the project includes 5 - 8 - and 10 year plans that will enable continuing maintenance as well as to meet future needs. He then conducted the First Reading of the Ordinance, by title only, advising that the minimum figure will be 16.50 for water, and 21.30 for sewer, for a total minimum bill of $37.80. Councilwoman McNamee moved that the Ordinance be adopted, and which motion was seconded by Councilwoman Crawford, and carried.

Mayor McCormick notified those in attendance that the local NAACP will be holding a formal dedication of the Historical "Deep Third" Marker on May 19th at 6:00 p.m., with a reception to be held thereafter. He then congratulated Mrs. Zada Hairston for recently being honored by her Church for 30 years of service to the church.

Councilwoman McNamee asked John Stallard to look at the handrail going through the vehicle underpass on Harvey Street. She also reported that the sidewalk on Third Avenue has a lot of gravel in it and needs patched and cleaned up. The Mayor directed John to find out how much asphalt he'll need to do patch work and how much it will cost. Councilwoman McNamee further advised that a wall is falling on College Hill near Mrs. Weaver's residence. John is to go look at it. She said there continue to be parking problems on Alderson Street and complaints that one resident has two or three cars. She also reported that a stake has been put in the street there to hook a 3-wheeler to. John said he will removed the stake. The Mayor then told John that we need to look at painting off spaces in certain areas. He further told John that he needs to put up a sign on Prichard Street indicating "No Parking this Side of Street".

Councilwoman Jackson said she hopes that someday we will get all of the Wards straightened out. She advised that a driveway has washed out in back of Williamson Terrace where Johnny Willis' mother lives. John Stallard advised it had been cleaned out about a month ago, and the Mayor advised him they were talking about another location where the catch basin is located. John then stated it is on private property and the City Attorney said we do not want to take on the maintenance for it. Councilwoman Jackson further reported that there are barking dogs up there and that it is very smelly and appears to be a dog kennel. The Mayor said the problem was resolved at one time, but now they are back. He said he'll have the Police Chief check on them, and Councilwoman McNamee said he also needs to check on the Pitt Bulls that are being walked on the streets. Councilwoman Jackson stated that anyone who frequents Vinson Street will see that there are cars being washed and you have to wait in order to get by and it is people who do not even live up there.

Councilwoman Crawford reported that Verdell Banks had called her to inquire about paving his street and that he also asked when the brush will be cut around the water tower. She then inquired if people are allowed to have Yard Sales on City property. She then said that the Manager of Williamson Towers would like to build an extension on the property. Mayor McCormick reminded John Stallard that he needs to get to work on the dog park walking track and said that he, John and Councilwoman Crawford need to look at it. She reported that the hydrant is still leaking and John reported that it is going to have to be replaced. He also advised her that his men would be tied up the following week at the Water Plant and that he would be going around with people from FEMA about materials used for the County flooding.

Mayor McCormick stated that he is very concerned about Fairview Road entrance because the hill slides a little more every time it rains.

There being no further business to come before the meeting, the same was adjourned, upon motion by Councilwoman McNamee, seconded by Councilwoman Crawford, and carried.

MAYOR

CITY CLERK

MINUTES OF A MEETING OF THE CITY COUNCIL OF WILLIAMSON, WEST VIRGINIA, HELD IN THE COUNCIL CHAMBERS OF CITY HALL ON THURSDAY, JUNE 14, 2007, AT 5:30 P.M.

Mayor McCormick opened the meeting by requesting that those present please bow their heads for the prayer, and which prayer was offered up by Councilwoman Mentola Jackson. Following the prayer, Mayor McCormick requested those in attendance remain standing for reciting of the Pledge of Allegiance.

The Mayor then requested a Roll Call, and it was ascertained by Frances Frye, the City Clerk, that the following persons were present:

MAYOR:	DARRIN McCORMICK
COUNCIL MEMBERS:	FRANCES CRAWFORD MENTOLA JACKSON NICOLE McNAMEE

Councilman Michael Brewster and the City Attorney, C. Christopher Younger, were both absent from the meeting.

The Mayor then requested approval of Minutes of the meeting of May 24, 2007. Accordingly, Councilwoman Crawford moved that the aforesaid Minutes be approved , and which motion was seconded by Councilwoman Jackson, and carried.

Mayor McCormick then presented bills totaling $ 33,204.36, to be paid from the General Fund, and $3,088.86 to be paid from the Coal Severance Account. Following review thereof, Councilwoman McNamee moved that the aforesaid bills be paid as the money becomes available, and which motion was seconded by Councilwoman Crawford, and carried.

Mayor McCormick then conducted the Second and Final Reading of the amended Water and Sewer Ordinance, noting that the ordinance had been published in the Williamson Daily News and in fact, had taken up one and one-half newspaper pages. He then opened the meeting for Public Comment on the proposed ordinance. There being no questions, objections, or corrections to the ordinance, Councilwoman McNamee moved that the same be approved, and which motion was seconded by Councilwoman Jackson, and carried. The Mayor advised that it would be necessary to have a publication period and that the new rates would be effective 30 days following expiration of the publication period.

The Mayor advised that the Historical Landmark Commission had been reactivated in October 2005 and that we needed to appoint one member and reappoint another. Accordingly, he recommended that Councilwoman Crawford serve a one year term, and that Nancy "Bunky" Smith be appointed to the vacant two year term. Councilwoman Jackson moved to approve the recommended appointments, and which motion was seconded by Councilwoman McNamee, and carried.

The Fire Chief requested that the Council recognize June 18, 19 and 20th as Firefighter Safety Days, explaining that during that period they would be more conscious of their own safety. Councilwoman McNamee moved to acknowledge the Firefighter Safety Days, and which motion was seconded by Councilwoman Crawford, and carried.

The Fire Chief, on behalf of the Unsafe Building Commission, then requested that the City have the Lester property cleaned up and then have a lien placed against the property to cover the expenses involved in the clean-up. He said

there is approximately one truck load of stuff that needs hauled away. Councilwoman McNamee moved to approve clean-up of the property, and which motion was seconded by Councilwoman Crawford, and carried. Councilwoman Jackson abstained from the vote, advising that she had been accosted by the owner.

Mayor McCormick then noted that the Unsafe Building Commission has identified over 100 structures which need to be repaired, torn down, or removed and that they have taken care of 28 such structures. He further stated that one goal of the Blueprint Community is removal of dilapidated structures and erection of better quality ones. He said the members of the Blueprint Community want to entice people to make Williamson their home and that they look forward to making it a reality.

Council was then requested to authorize the Mayor to incorporate the newly approved Visitor's & Convention Bureau and it was reported this would be in conjunction with plans of the Blueprint Community team and that by doing so, it will enable the City to utilize all of the Hotel/Motel Tax money.

Mayor McCormick next reminded everyone of the Block Party planned for the following evening in celebration of the anniversary of the Red Cross. He also reported that the next educational meetings planned as a result of the Flex-E Grant by Mingo-CAP would be at the Mountaineer Hotel on Tuesday, June 19th, with Lisa Dooley and Steve Warner as guest speakers, and that the other one would be on June 26th, with Susan Pierce of the Div. of Culture & History, and Mr. Tyree, of the WV Housing Dev. Fund, as guest speakers.

The Mayor gave a report on the recent Hatfield/McCoy Marathon, noting it was the largest ever with approximately 150 participants, and he also stated the

Shriner's Car Show was a great success. He then announced that he had recently made a Mayoral Proclamation in conjunction with the Park Board's desire to honor Jim Van Zant by naming the baseball diamond at Lefty Hamilton Field the "Jim Van Zant Baseball Field" . He further advised that the Van Zant Family was extremely pleased with the honor and the day's activities. The Mayor further reported that the missing Waddell Street sign is leaning against a blue house nearby and directed John Stallard to see that it gets repositioned. He added that this was the street that was named after the only City firefighter ever killed in the line of duty.

Councilwoman Crawford brought up the matter of paving at Goodman Avenue and grass being cut at reservoir loop. She asked John Stallard if the fire hydrant had been repaired up there yet and he said it had not as yet been replaced. She then said a discussion at the Community Workshop conducted at Williamson Towers indicated that the people up there are very pleased to be getting work started on the park across the street. Mayor McCormick noted that the people up there were certainly complimentary of Burl Blevins for all of the hard work he and his brother have done up there.

Councilwoman Jackson congratulate "Bunky" Smith on being appointed to the Historic Landmark Commission. She then stated that she frequently walks between her house and the Harry Joyce Center and that there is not really anywhere to walk or sit down, but that she is confident we will eventually get some work done up there. She also reported that she thinks the Mike Alexander family may be getting ready to do something up there and the Fire Chief advised that the Unsafe Building Commission process had been started a couple weeks prior because the residence was partly collapsed. Councilwoman Jackson said she is trying to instill

in the youth that she works with that they need to be in the habit of picking up paper and trash and which may result in them adopting the attitude that it is their community. She then wanted to know who has authority to require clean up of the railroad bed up on Vinson Street where dogs have messed and trash has accumulated, as well as expressing her concerns about a hillside where water is coming down. She asked if she would be correct in saying it is private property and John Stallard said "Yes". The Mayor then asked about a STOP Program and Councilwoman Jackson said that Amy Turner & Able Families are working to get some grant money. Mayor McCormick suggested that they come to our pool one day, noting that he is glad to see groups working together.

Councilwoman McNamee said there is a pole that needs to be taken down again on Alderson where someone chains up a 4-wheeler. It was determined that the individuals need to be cited and the Police Chief is to look up the law. Councilwoman then stated she had received a letter from Mary Baldwin about Alderson Street, which stated that it is well traveled, however, the burned out houses and other scenery is atrocious. She also reported that one area up there has gravel piled up and the sidewalk and street need repaired, as well as having overgrown vines, weeds, and shrubbery. John and the Mayor both said the steps from Alderson Street up to College street are on private property. She also reported that Alderson and Harvey Streets need to be striped and that part of a wall has fallen in the road on College Hill. The Mayor told John to have it picked up.

Councilwoman McNamee then brought up the matter of the Oak Street Wall and the Mayor said he is talking with Region II and that Mae Stallard had contacted Sen. Rockefeller's representative, who advised that we see if it could be a result of mine water. The Mayor said the people up there have furnished a raft of signatures

on a petition and Councilwoman asked if we need to ask Rockefeller and Rahall to send someone down here to assist us. The Mayor said we need to also get our State representatives involved.

Councilwoman McNamee then said that a big drain at the Presbyterian Church needs to be cleaned out and John said he would take care of it. She then brought up the matter of applying for grants for playground equipment, one through West Virginia and the other with the County. She said she wants to talk with the Kiwanis Club and Rotary Club about helping. She went on to say they have a nice playground with good equipment over in South Williamson. She said the company she is talking with only has a certain time that they offer grants and we may need a letter of intent in regard to matching funds and in this regard, she thinks some of our contribution could be "in kind".

The Mayor then advised that the people visiting in the City recently for the car show and marathon expressed their opinions that we have a beautiful town with wonderful hospitality. He then reminded everyone that we will be having a free public picnic and swimming party at the Pool for the 4th of July. He expressed his appreciation to his wife and the City Clerk for always getting things organized.

Bunky Smith wanted to know when she might expect the big tree near her house to be taken down that she has been complaining about. Mayor McCormick advised that the first contractor we had lined up had left the area and the second one failed to supply adequate insurance, and we now have another man checking about insurance.

Council was then approached by Wallace Perry, who requested permission to do some fund raising on behalf of his 55 day old grandson who needs a kidney transplant. The Mayor advised that he could schedule a roadblock but would need

to clarify the date with City Hall. The man reported that although the baby lives in Columbus, his parent were raised in the Delbarton area.

Clyde Lloyd of East Williamson complained to the Council again about water overflowing from the water tower in East Williamson. He purported to show pictures indicating water was coming out of the tank but which pictures were not that indicative. He discussed a screen in the tank and why it was pushed out. He also showed pictures of mushrooms growing in his bathroom as a result of the dampness that is left when the tank overflows and water comes in around his house. He said he had talked with the Red Cross and tried to talk with FEMA, all to no avail. He did, however, say that a representative of the Long Term Flood Recovery sent a lady named Janice Kelly to see him, and that the Red Cross gave him the State Emergency number.

Mayor McCormick told the Police Chief that residents in East Williamson are still complaining about the speeding and said that is where they need to write more tickets. The Chief said he will have is officers run the Radar more up there. The Mayor then reported that the workshops have been successful and that the next one is planned for July 10th at the Harry Joyce Center at 6:00 p.m.

Leigh Ann Wells stated that some of the residents of Goodman Manor complained about the Oak Street residents taking up all the time at the recent Community Workshop held at the Manor, indicating some of them thought the meeting was set up for residents of the Manor only. Councilwoman Jackson said she knows for a fact some of the people at Goodman Manor are not troublemakers. She went on to say that Mildred Jones did not get a chance to speak and added that the Housing Authority board members should listen to the people. Mayor McCormick said the only thing he can do is not reappoint the members. He also

said he had thought it was a good meeting and that everyone conducted themselves very well and he was well satisfied with the outcome. Councilwoman Jackson then said she knows for a fact something is going on in that building. She went on to say "We heard it, it was there" and people are still calling. She said one woman was accosted in the elevator. She said she had been told about one man, whose wife has another of the apartments but that she was told it would do no good to bring it up as nothing would be done.

There being no further business to come before the meeting, the same was adjourned, upon motion by Councilwoman McNamee, seconded by Councilwoman Crawford, and carried.

MAYOR

CITY CLERK

State of West Virginia, Mingo County, to-wit:

I, Gaither Perry, Publisher of Williamson Daily News, a paper published in the County aforesaid, do affirm that Notice hereto attached was published in said paper for 2 successive weeks, the first publication thereof being on the 12th day of February 2009 and the subsequent publication on the 19th day of February 2009, the _____ day of _____, 2009, the _____ day of _____ 2009, and the _____ day of _____, 2009.

State of West Virginia, Mingo, to-wit:

_____ being duly sworn, says that he posted a copy of the annexed _____ at the front door of the Court House of said County, on the _____ day of _____ 2009.

Taken, subscribed and sworn to before me, this 26th day of February 2009. Printer's fee $ 118.76

Rachel M Lipps
Notary Public

MY COMMISSION EXPIRES ON Oct 16, 2018

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Rachel M. Lipps
412 Talbott St.
Williamson, WV 25661
My Commission Expires Oct. 16, 2018

NOTICE OF PUBLIC HEARING ON CITY OF WILLIAMSON BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Williamson (the "City") to be held on Thursday, February 26, 2009, at 5:30 p.m. in the Council Chambers, Williamson, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

CITY OF WILLIAMSON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WASTEWATER PORTION OF THE EXISTING PUBLIC COMBINED WATER WORKS AND SEWERAGE FACILITIES OF THE CITY OF WILLIAMSON, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2009 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage 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 Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City. 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 Williamson on January 22, 2009. A certified copy of the above-entitled Ordinance is on file with the City for review by interested parties during regular office hours.

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

/s/ A. Darrin McCormick
Mayor

2:12,19

CITY OF WILLIAMSON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF RULES OF PROCEDURE, SUPPLEMENTAL RESOLUTION AND DRAW RESOLUTION.

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

*** *** ***

The City Council of the City of Williamson met in regular session, pursuant to notice duly posted, on the 25th day of June, 2009, in Mingo County, West Virginia, at the hour of 7:00 p.m.

PRESENT:	A. Darrin McCormick	-	Mayor
	Frances Frye	-	Clerk
	Mentola Jackson	-	Councilmember
	Frances Crawford	-	Councilmember
	Kenneth Atkins	-	Councilmember

A. Darrin McCormick, Mayor, presided, and Frances Frye, acted as 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 presented a proposed Resolution concerning the Rules of Procedure and caused the same to be read and there was discussion. Thereupon, on motion duly made by Frances Crawford and seconded by Mentola Jackson, it was unanimously ordered that the said Reslotion be adopted and be in full force and effect on and from the date hereof.

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

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER

TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A OF THE CITY OF WILLIAMSON, 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 Kenneth Atkins and seconded by Frances Crawford, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

The Mayor then presented a proposed Draw Resolution and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Frances Crawford and seconded by Mentola Jackson, it was unanimously ordered that the said Draw Resolution be approved.

*** *** ***

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 Williamson and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 2nd day of July, 2009.

Frances Frye
Clerk

06.18.09
976580.00004

MINUTES OF A MEETING OF THE CITY COUNCIL OF WILLIAMSON, WEST VIRGINIA, HELD IN THE COUNCIL CHAMBERS OF CITY HALL ON THURSDAY, JANUARY 8, 2009, AT 5:30 P.M.

Mayor McCormick opened the meeting by requesting that those present please bow their heads for the prayer, and which prayer was offered up by the Police Chief, Roby Pope. Following the prayer, Mayor McCormick requested those in attendance remain standing for reciting of the Pledge of Allegiance.

The Mayor then requested a Roll Call, and it was ascertained by Frances Frye, the City Clerk, that the following persons were present:

MAYOR:	DARRIN McCORMICK
COUNCIL MEMBERS:	FRANCES CRAWFORD MENTOLA JACKSON
CITY ATTORNEY:	C. CHRISTOPHER YOUNGER

The Mayor then requested approval of Minutes of the meeting of December 20, 2008. Accordingly, Councilwoman Crawford moved that the aforesaid Minutes be approved, and which motion was seconded by Councilwoman Jackson and carried.

Mayor McCormick presented General Fund bills totaling $ 46,224.42, and following review thereof, Councilwoman Jackson moved that the aforesaid bills be paid as the money becomes available, and which motion was seconded by Councilwoman Crawford, and carried.

The Mayor next requested approval of a Budget Adjustment and asked the City Clerk to explain the details of the same. The Clerk stated that the unencumbered balance projected for the current budget was $66,000 more than expected and explained that she desired to put $7,500 in Parking, $38,500 in Streets, and $20,000 in Garbage. Whereupon Councilwoman Crawford moved to

approve the Budget Adjustment, and which motion was seconded by Councilwoman Jackson, and carried.

Mayor McCormick asked the Police Chief about the parking meter revenue since installation of the new digital meters was completed and the Chief said he's getting that information together but that it will take several collections to determine an increase percentage.

Councilwoman Jackson had some questions about parking on the upper side of the Goodwill Store as well as an area behind the American Legion Building, and was advised that part of the property belongs to the County and the other portion she referred to belonged to a company who had bought a portion of the back parking lot from the City several years ago.

The Mayor brought up the matter of delinquent garbage fees and noted that we have several employees who are delinquent, as well as some Veolia employees too, and stated that we want to collect from them prior to going after the public for collections.

Mayor McCormick next explained that a Bond Ordinance is necessary in order to provide for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A. He further noted that the proceeds will be used to (I) pay a portion of cost of acquisition and construction of certain improvements to the sewer portion of the public combined waterworks and sewerage system of the Issuer; (ii) pay capitalized interest on the Bonds; and (iii) to pay certain costs of issuance of the Bonds and related costs. He further advised that the Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the City. He then proceeded to conduct the First Reading of

said Bond Ordinance by title only after inquiring of those present if there was any objection to it being read by title only as opposed to reading it in its entirety, and there being no such objections. Whereupon, Councilwoman Crawford moved to approved the Ordinance upon First Reading, and which motion was seconded by Councilwoman Jackson, and carried.

Mayor McCormick next requested the City Clerk to explain details of the upcoming City Election and the Clerk advised that the Primary would be April 14th and the General would be June 9th. She then recommended to the Mayor and Council that paper ballots be used for this election since she had been informed by the Chief Deputy in the County Clerk's Office that it would cost approximately $10,000 for each election just to have the program written, and which amount would not include the amount that would be charged by the County Clerk for his employees to get everything ready and assist with the counting on election night. Councilwoman Jackson moved to give the Clerk authority to order Paper Ballots for the upcoming elections, and which motion was seconded by Councilwoman Crawford, and carried.

The Mayor next reminded everyone that the Logan Street Church would be having a program in observance of Martin Luther King Day on Sunday, January 18th.

Mayor McCormick then stated that although there was no one in attendance from the newspaper office, he still wanted to say that he was thoroughly insulted by the Headlines of Wednesday, January 9, 2009, calling it sensationalism - and noting that the matter reported had nothing to do with the fine lady (Councilwoman Crawford) who sits on this Council. He went on to state that whoever is doing

such journalism is overpaid and it is a shame. He then strongly and sincerely apologized to Councilwoman Crawford for the way the Williamson Daily News had splashed her name in the Headlines. The Police Chief said that he had noticed that when the Daily News recently published what they considered to be their top 10 stories for 2008, the election of President-elect Obama was Third. He also stated that they want to be called when there is any newsworthy story involving crime, but they do not want to come to the police station to get the information.

Councilwoman Crawford asked Mike Preston of Veolia Water about the sidewalk as you turn up East Fourth Avenue and Ethel Street and he said he had instructed Tom Felix to go up there and clean it up, however, Councilwoman Crawford stated she was of the impression that something else was wrong up there. She then asked why the Community Center has been renamed the Kiwanis Building and Mayor McCormick explained that the Kiwanis had used its money to clean up the exterior of the building with the help of the Judge's Work Crew, and that thereafter, the Kiwanis had approached the Park Board about continuing to oversee and accept responsibility for the building's maintenance. He further pointed out that the Park Board is an entity separate from the City.

Councilwoman Jackson said a lot of cleaning up and improvements have been accomplished on Vinson Street. She there is a problem at the bottom of Joseph Avenue where water runs down but that it looks better now. She also noted there are potholes at the bottom of Joseph Avenue and that water running down Vinson Street freezes fast in our current weather. She said she requests that her constituents call problems to her attention and not wait until they get worse. She said some houses are being torn down and some are being fixed up.

Councilwoman Jackson then said it is appalling when someone does something to anyone, whether a council person or not and that she is appalled anytime a knife is put in someone's back. She went on to say now they have picked on a good friend of hers and that she was hurt for Councilwoman Crawford.

Councilwoman Crawford said she has had numerous calls from people in town as well as out of town and she sincerely appreciated them and it made her feel good. She said she was concerned about her brother in Baltimore seeing it on the internet since he pulls up the Daily News everyday, and that although he hadn't read it that day, a good friend, Glen McCoy, told him. She concluded by stating that she can hold her head up and hopes her son will too.

Norma White of Prichard Street brought up the matter of leaves and a general discussion ensued about leaves being such a problem. The City Clerk said she had just that day had a request from Mr. Brown on 6th Avenue about the amount of leaves that accumulate and stated that a while back his daughter's car had gotten damaged because another car had skidded in the wet and soggy leaves. Mayor Mccormick said we need to look at the debris from the leaves and see if perhaps they are ending up in our drains.

There being no further business to come before the Council, the same was adjourned, upon motion by Councilwoman Crawford, seconded by Councilwoman Jackson, and carried.

MAYOR

CITY CLERK

870 Book 21

MINUTES OF A MEETING OF THE CITY COUNCIL OF WILLIAMSON, WEST VIRGINIA, HELD IN THE COUNCIL CHAMBERS OF CITY HALL ON THURSDAY, JANUARY 22, 2009, AT 5:30 P.M.

Mayor McCormick opened the meeting by requesting that those present please bow their heads for the prayer, and which prayer was offered up by the Councilwoman Crawford. Following the prayer, Mayor McCormick requested those in attendance remain standing for reciting of the Pledge of Allegiance.

The Mayor then requested a Roll Call, and it was ascertained by Frances Frye, the City Clerk, that the following persons were present:

MAYOR:	DARRIN McCORMICK
COUNCIL MEMBERS:	FRANCES CRAWFORD MENTOLA JACKSON KENNETH ATKINS MICHAEL BREWSTER
CITY ATTORNEY:	C. CHRISTOPHER YOUNGER

The Mayor then requested approval of Minutes of the meeting of January 8, 2009. Accordingly, Councilman Brewster moved that the aforesaid Minutes be approved, and which motion was seconded by Councilwoman Jackson and carried.

Mayor McCormick presented General Fund bills totaling $ 870.20, and Coal Severance Account bills in the amount of $2,893.54. Following review thereof, Council man Brewster moved that the aforesaid bills be paid as the money becomes available, and which motion was seconded by Councilman Atkins, and carried.

✓ Mayor McCormick then proceeded to conduct the Second Reading of said the Combined Water and Sewer Ordinance, by title only, after inquiring of those present if there was any objection to it being read by title only as opposed to reading it in its entirety, and there being no such objections. Whereupon,

Councilman Brewster moved to approved the Ordinance upon Second Reading, and which motion was seconded by Councilman Atkins, and carried.

Dr. Diane Shafer of the Williamson Rotary Club addressed the Council in regard to the condition of the Alexander Park on Vinson Street, advising that the Rotary Club is very interested in upgrading the park. Mayor McCormick explained that the bad condition was partly the result of a large galvanized pipe beneath the asphalt that had collapsed. Councilwoman Jackson expressed her appreciation that the Rotary Club is willing to help with restoration of the park and the Mayor said the City needs to help by finishing the pipe underneath. The Mayor then recommended that Veolia Water set up an on site meeting with the Rotary Club and directed the City Clerk to advise John Stallard to get with Dr. Shafer to set us such a meeting.

Dr. Shafer then reported that she will again be teaching "life-saving" for the Red Cross an the cost will be $72.00 for necessary equipment and $225.00 for the course. She further advised that the age limit is 15 years of age and that the class will be conducted at the local Swimming Pool. She further stated that the Red Cross will be conduction an Auction on May 28, 2009 at the Fire Department.

Mayor McCormick advised that he had recently met with some ladies who want to purchase new Christmas decorations for the City and that he will be asking the City Clerk to contact some people. He said he is of the opinion that projects such as this need to be run through the Redevelopment Authority and that we probably need to advise Region II of projects we have planned. He further advised that we will be advertising for an executive director for the Visitor's & Convention Bureau in the not too distant future. The Mayor then stated that Mike Preston, of Veolia Water, has changed his mind in regard to taking the

position of Project Manager for the City of Williamson operations administered by Veolia and that it looks as though we will be dealing with John Stallard again.

Councilman Brewster stated the only thing he had to bring before the Council is a project at east end which he needs to discuss with John Stallard as the same relates to the drain at Roger Marcum's.

Councilman Atkins inquired about the survey work supposedly being done on the area behind the High School (Becky Frazier Site) and the City Attorney said he will be getting back with the surveyor since we haven't heard anything. Councilman Atkins noted that the cold weather appears to be causing the area to fall in more. He then reported that John Brown had cleaned up all of the leaves along Sixth Avenue. Councilwoman Jackson said she has received several complaints about leaves, especially from people who have no trees, but must suffer the mess from leaves blowing from other properties.

Councilwoman Jackson said people in her Ward are happy about some things being cleaned up in her area. She said one area of Maple Walk has been very icy and suggested that the residents clean it off since the City is taking care of all of the roadways.

Councilwoman Crawford had some things to check with Mike Preston because when she went to Kay Ward's the other day she noticed that Maple Street was really slippery. She then asked how long it had been since Mike Preston decided not to be the project manager and was informed by the Mayor that John Stallard had told him the previous Friday. She then said Mike had a list of things that needed done and the Mayor advised her to give a copy to the City Clerk. The City Clerk stated that she felt Veolia should look at the alley which adjoins Community Trust Bank in that it is very icy and even when it melts

a little it splashes onto the drive-thru lanes of the bank making the curve really slick.

Councilwoman Jackson said she thinks the Housing Authority should replace some playground equipment and stuff which has been torn down since the time Jay Fuller was the director. And Councilwoman Crawford wanted to know who she should contact about playground equipment for the park at East Williamson. Mayor McCormick said all projects need to be coordinated and run through the Redevelopment Authority.

The Police Chief said he is trying to get John to turn Dewey Dingess loose for a day or two as some of the new meters are jammed. The Mayor told Councilwoman Crawford he had talked with a woman who wants to organize a community garden in a small section of the East Williamson Park. Councilwoman Jackson noted that the goals need to be replaced at the Harry Joyce Center.

Mayor McCormick reported that we were again denied on our grant application for restoration of the City Hall Depot facility. He suggested we need to think about contacting Burian Marcum from Mercer about Norfolk/Southern granting some funds for restoration purposes.

There being no further business to come before the Council, the same was adjourned, upon motion by Councilman Atkins , seconded by Councilman Brewster, and carried.

MAYOR

CITY CLERK

MINUTES OF A MEETING OF THE CITY COUNCIL OF WILLIAMSON, WEST VIRGINIA, HELD IN THE COUNCIL CHAMBERS OF CITY HALL ON THURSDAY, FEBRUARY 26, 2009, AT 5:30 P.M.

Mayor McCormick opened the meeting by requesting that those present please bow their heads for the prayer, and which prayer was offered up by Doyle Van Meter. Following the prayer, Mayor McCormick requested those in attendance remain standing for reciting of the Pledge of Allegiance.

The Mayor then requested a Roll Call, and it was ascertained by Frances Frye, the City Clerk, that the following persons were present:

MAYOR:	DARRIN McCORMICK
COUNCIL MEMBERS:	FRANCES CRAWFORD MENTOLA JACKSON KENNETH ATKINS
CITY ATTORNEY:	C. CHRISTOPHER YOUNGER

The Mayor then requested approval of Minutes of the meeting of February 12, 2009. Accordingly, Councilwoman Crawford moved that the aforesaid Minutes be approved, and which motion was seconded by Councilwoman Jackson and carried.

Mayor McCormick presented General Fund bills totaling $ 9,365.38, however he noted that the amount of $2,788.00 need to be added for a new heating system at the City Garage, making a total of $12,153.38 . Following review thereof, Councilwoman Crawford moved that the aforesaid bills be paid as the money becomes available, and which motion was seconded by Councilwoman Jackson, and carried.

Mayor McCormick then conducted the Third and Final Reading of the Utility Bond Ordinance, by title only, there being no objection to it being so read,

and following which, Councilwoman Crawford moved to approve the Ordinance, and which motion was seconded by Councilwoman Jackson, and carried. John Stump, Attorney, who is representing the Utility Board in connection with the bond ordinance, was in attendance and Mayor McCormick inquired of him if he had any idea how much money the Department of Agriculture would be getting from President Obama's Stimulus Package, Mr. Stump replied that although he did not have a figure at this time, he is certain some interesting funding is under development. He and the Mayor had an extensive discussion in regard to ideas about how such money could be utilized.

The Mayor then reported that Councilwoman Jackson was able to get a whole block revamped in her Ward. He then noted that he plans to ask the Council to convey the former West End School property to the City's Redevelopment Authority, with stipulations for its use and requested that Mr. Stump work with our City Attorney, Chris Younger, about some language to be included in the proposed deed.

Mayor McCormick next stated that although he had expressed displeasure with the Williamson Daily News at the previous meeting, he was not feeling so mean this day and complimented the newspaper for its competent coverage for Black History Month. He then indicated that a Press Release is to be forthcoming from the Police and Fire Departments in regard to blocking of fire hydrants, and went on to ask that people respect our hydrants in order to avoid disaster.

Councilwoman Crawford said she is very pleased with the way the tar is keeping the potholes patched now. She then reported to the Police Chief that a number of cars are parking in the curve as you approach Mingo Manor Nursing Home and Tom Felix, of Veolia, said they will paint the curbs. The Police Chief

reported that some of those people were recently arrested on drug charges and it is his understanding they are being evicted from the residence they occupied up there.

Councilwoman Jackson said it is her understanding the Council is getting criticism because of litter around town. She then presented for viewing some pictures taken at Maple Walk and said she wants the Fire Chief and Mayor McCormick to go out there with her to view the situation. She said the people living there are piling junk outside the residence. She went on to say that even though one of the places is occupied by her own granddaughter, they should still be required to keep it clean. She said that the City had cleaned up a place owned by Robert Anderson who is in Florida and couldn't be found, but that it is the public that is again dumping stuff there even after we cleaned it up. She then said that we are getting a black eye because of the Irene Jackson place on Russell Steps. In this regard, the Fire Chief said it was condemned but was left off because we were not sure who the owner was, however, he now knows that it is owned by Irene Jackson. Councilwoman then requested that the Fire Chief and Mayor go to the home of Irene Jackson about cleaning it up. She said another man wants $50,000 for a red brick up there that is falling in, and that another one up there with garbage piled up is owned by Deputy Joey Ferri s. Mayor McCormick said Gary Hackney owns one of the homes up there where the tenant was recently picked up in the drug arrests. Councilwoman Jackson also brought up the matter of dogs located on the hill behind the Logan Street Church and the fact that they come out and chase people. She said the situation is getting really bad and they need to be picked up.

Councilman Atkins said he wanted to check on the Wallace Street survey, the area adjacent to the middle school where the owner had voiced complaints about a wall. The City Attorney said it is scheduled to have the plat ready by Mid

March, and one for the Oak Street Wall by mid-April. Mayor McCormick told Councilman Atkins about a letter he had received from an individual who lived up there as a young boy when the walls were being built and suggested that he be contacted . The City Attorney said the surveyor we hired had found a marker of another surveyor and planned to contact him to discuss the matter.

Mayor McCormick advised the Police Chief that the people on Maple Walk who are throwing garbage everywhere need to be cited.

The City Attorney advised Mike Preston of Veolia Water that one of our decorative poles at the corner of the Courthouse is leaning and needs to be looked at. It was also reported that the Elm Street sign is gone and that Mike Preston needs to see about some other signs that need replaced. The Police Chief advised him that the Stop sign is missing at Fourth and Harvey Street.

Councilman Atkins wanted to know when we will start getting asphalt and was advised that all we can do at the present time is cold patch. In this regard, the Mayor said he wants to see a list of asphalt projects and which needs to be spread out in order to cover as much as possible.

There being no further business to come before the Council, the same was adjourned, upon motion by Councilwoman Crawford, seconded by Councilwoman Jackson, and carried.

MAYOR

CITY CLERK

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

NEW ISSUE REPORT FORM

Date of Report: 7/2/2009

(See Reverse for Instructions)

ISSUE: City of Williamson
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

ADDRESS: Post Office Box 1517, Williamson, West Virginia 25661 COUNTY: Mingo

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 7/2/2009

CLOSING DATE: 7/2/2009

ISSUE AMOUNT: $1,055,000.00

RATE: na

1ST DEBT SERVICE DUE: na

1ST PRINCIPAL DUE na

1ST DEBT SERVICE AMOUNT na

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm:
Contact:
Phone:

CLOSING BANK:
Bank:
Contact:
Phone:

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: A. Darrin McCormick
Position: Mayor
Phone: (304) 235-1510

OTHER:
Agency: United States Department of Agriculture
Contact: Tracey Rwan
Position: State Director
Phone: (304) 284-4860

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: Monthly debt service payments will be made by the Town directly to the National Finance Office. The Municipal Bond Commission will only hold the Series 2009 A Reserve Account. The payments into the Reserve Account will commence 25 months from the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

BOND COUNSEL

United States Department of Agriculture
Rural Development
West Virginia State Office

March 13, 2008

The Honorable A. Darrin McCormick
Mayor, City of Williamson
317 East Third Avenue
Williamson, WV 25661

Dear Mayor McCormick:

This letter, with Attachments 1 through 12 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA-Rural Development (RD). Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA-Rural Development, by written amendment to this letter. Any changes not approved by RD shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RD loan in the amount of $1,055,000, for a total project cost of $1,055,000.

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

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

Attachment No. 1 - Project Construction Budget (All Copies)
Attachment No. 2 - Water and Waste Processing Checklist (All Copies)
Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)
Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
Attachment No. 8 - Government Auditing Standards (Revision 2007) (Accountant Copy)
Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
Web: http://www.rurdev.usda.gov/wv

Committed to the future of rural communities.

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

Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
Attachment No. 11 - Sample Credit Agreement (Applicant Copy)
Attachment No. 12 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.375% interest rate and a monthly amortization factor of 0.00451, which provides for a monthly payment of $4,759. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

   You are reminded that your City may be required to refinance (graduate) the unpaid balance of its RD loan, in whole or in part, upon the request of RD if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of equal priority with the City's outstanding sewer revenue bonds, a pledge of the system's revenues and other agreements between you and RD as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-27 which is mentioned later.

3. Users - This conditional commitment is based upon you providing evidence that there will be at least 1,460 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the City's existing sewer system which is to be partially replaced by the new system, at the time you request authorization to advertise the project for construction bids.

   Before RD can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and currently using the system.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.

5. Accounting Services – Your accountant must agree to develop and provide the following:

   a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).

b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your City. The attached booklets, "Government Auditing Standards (Revised 2007)" (Attachment No. 8), and RUS Bulletins 1780-30 and 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

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

6. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

   a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.

   b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the City already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

   c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.

   d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

   e. On the day of loan closing, the City's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the City has already acquired real property(s) (land or

facilities), the City's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.

7. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:

   - West Virginia Department of Highways
   - Railroads
   - State Department of Health
   - Department of Environmental Protection
   - Corps of Engineers
   - Public Land Corporation

8. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:

   a. A Certificate of Convenience and Necessity.

   b. Approval of user charges that are acceptable to you and USDA-Rural Development.

   c. Approval of financing for the project's proposed financing arrangements.

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

9. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

   a. Liability Insurance - Personal Liability - $500,000; Property Damage - $200,000 – $200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RD recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.

   b. Workers' Compensation - In accordance with appropriate State laws.

   c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time.

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

   d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

(1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.

(2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

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

10. Contract Documents, Final Plans and Specifications -

a. The contract documents should consist of the following:

(1) EJCDC Document No. C-521, 2002 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. C-710, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC documents are issued under copyright and cannot be provided by RD.

(2) "RUS Supplemental General Conditions."

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

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

(1) Liability Insurance - Personal Liability - $500,000; Property Damage -$200,000 – $200,000. This coverage must include indemnification of the City and its engineer. EJCDC Document No. C-710, "Standard General Conditions of the Construction Contract" (Funding Agency Edition) and Exhibit G to RUS Bulletin 1780-26, 'Supplementary Conditions" both suggest certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation - In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RD for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

11. Interim Financing - Interim financing will be used for the RD loan if it is available at reasonable rates and terms. You must provide RD with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RD review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 11).

12. Disbursement of Funds - The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of your City, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

    Public Bodies – Interest earned on grant funds in excess of $100 per year will be submitted to RD at least quarterly as required in 7 CFR 3016.

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

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

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

    Form RD 1940-1 - "Request for Obligation of Funds"
    RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"
    Form RD 400-1 - "Equal Opportunity Agreement"
    Form RD 400-4 - "Assurance Agreement"
    Form AD 1047 - "Certification Regarding Debarment - Primary"
    Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
    FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
    Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)
    Certification of Compliance
    Form RD 1942-46, "Letter of Intent to Meet Conditions"

14. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan docket. All the items listed must be included in the loan docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.

15. Upon receipt of the loan docket, which contains all the items required above, RD may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RD with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all

parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

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

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

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

Sincerely yours,

RICKIE E. RICE
State Director

Enclosures

cc: Rural Development Specialist
Beckley, WV

Michael Griffith, CPA
950 Little Coal River Road
Alum Creek, WV 25003

Richard L. Lewis, Esquire
Steptoe and Johnson, Attorneys at Law
P.O. Box 1588
Charleston, WV 25326

John Stump, Esquire
Steptoe and Johnson, Attorneys at Law
P.O. Box 1588
Charleston, WV 25326

Eric Coberly, P.E.
E.L. Robinson Engineering
5088 Washington Street, West
Charleston, WV 25326

Attachment No. 1 to Letter of Conditions
For: City of Williamson
Date: March 13, 2008

Project Construction Budget

PROJECT COST	RUS LOAN	TOTAL
CONSTRUCTION	$ 700,600	$ 700,600
CONST. CONTINGENCY	$ 49,040	$ 49,040
LAND & RIGHTS	$ 3,000	$ 3,000
LEGAL FEES	$ 10,500	$ 10,500
BOND COUNSEL	$ 20,000	$ 20,000
ACCOUNTING	$ 9,500	$ 9,500
ENGINEERING FEES	$ 145,000	$ 145,000
Basic - $ 100,000		
Insp. - $ 40,000		
Special - $ 5,000		
INTEREST	$ 92,000	$ 92,000
PERMITS	$ 4,340	$ 4,340
PROJECT CONTG.	$ 21,020	$ 21,020
TOTAL	**$ 1,055,000**	**$ 1,055,000**

Rates

Available for general domestic, commercial, and industrial service.

First	3,000	gallons @	$	8.00	per M gallons
Over	3,000	gallons @	$	7.10	per M gallons

Minimum Monthly Bill $ 24.00 for 3,000 gallons

Delayed Payment Penalty

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

Connection Charge

Prior to Construction - $100

After the start of construction, there shall be a charge of $__350.00_____ for connection to the system.

City of Williamson
OPERATING BUDGET

OPERATING INCOME		
Metered Sales	$ 919,965	
Resale Customers	$ 219,605	
Forfeited Discounts	$ 23,209	
Miscellanous	$ 1,500	
TOTAL OPERATING INCOME		$ 1,164,279
NON OPERATING INCOME		
Interest income	$ 4,550	
TOTAL NON OPERATING INCOME		$ 4,550
TOTAL INCOME		$ 1,168,829
EXPENSES		
O & M	$ 659,472	
Taxes	$ 2,236	
TOTAL EXPENSES		$ 661,708
INCOME AVAILABLE FOR D/S (A)		$ 507,121
DEBT SERVICE		
Existing Bond P & I (B)	$ 321,124	
Proposed Bond P & I (B)	$ 57,108	
TOTAL DEBT SERVICE		$ 378,232
DEBT SERVICE RESERVE		
Debt Service Reserve*	$ 5,711	
TOTAL DEBT SERVICE RESERVE		$ 5,711
SURPLUS (DEFICIT)		$ 123,178
DEBT COVERAGE (A/B)		$ 1.34

*Based on Rus loan of $1,055,000 @ 4 3/8% for 38 years

Reconnection Charge

$25.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions
For: City of Williamson
Date: March 13, 2008

City of Williamson
USE AND INCOME ANALYSIS
EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 3,000	Over 3,000	TOTAL REVENUE
0-3,000	818	1,275.00	818			
Over 3,000	639	8,008.00		1,917.00	6,093.00	
Monthly Total	1,457.00	9,283.00	818.00	1,917.00	6,093.00	
Proposed Rates			$ 24.00	$ 8.00	$ 7.10	
Monthly Revenues			$ 19,632.00	$ 15,336.00	$ 43,260.30	**$ 78,228.30**
Annual Revenues			$ 235,584.00	$ 184,032.00	$ 519,123.60	**$ 938,739.60**

Annual Revenue	$938,740
Correction Factor	0.98
Adjusted Annual Revenue	$919,965

Attachment No. 2 to Letter of Conditions
For: City of Williamson
Date: March 13, 2008

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

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

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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3
	Documentation on Service Area	1	1780.11	RUS		Have	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS		Have	3
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant		Have	2
CPAP Form	Project Information	3	1780.41(a)	RUS		Have	1
CPAP Form	Underwriting Information	3	1780.33(h)	Applicant		Have	3
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant		Have	2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant		Have	3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant		Have	5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS		Have	3
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	Applicant		Have	3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant		Have	5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant		Have	6
RD 400-4	Assurance Agreement	1	1901-E	Applicant		Have	3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel		Have	5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		Have	5
	Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documenta-tion	1	1780.39(d)	Applicant/ RUS			1
	DOH Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6

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

City of Williamson
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of The First National Bank of Williamson, Williamson, West Virginia (the "Bank"), hereby certify that on July 2, 2009, the Bank received an automated transfer in the amount of $117,001 to the credit of the Series 2009 A Construction Trust Fund, Account Number 1012770, for the Series 2009 A Bonds.

WITNESS my signature on this 2nd day of July, 2009.

THE FIRST NATIONAL BANK OF WILLIAMSON

By: Marsha Williams
Its: Authorized Officer

06.19.09
976580.00004

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL & WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301
Telephone (304) 558-2981

PERMIT

PROJECT: (Sewer) West Third Avenue Sewage Lift Station **PERMIT NO.:** 18,002

LOCATION: Williamson **COUNTY:** Mingo **DATE:** 6-6-2008

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

City of Williamson
317 East Third Avenue
Williamson, West Virginia 25661

is hereby granted approval to: install one (1) 175 GPM duplex submersible sewage pump station; one (1) simplex grinder sewage pump station; approximately 2,100 LF of 6" and 177 LF of 1.5" force main; and all necessary valves, controls, and appurtenances.

Facilities are to being installed to replace Fairview Addition gravity sewer that was washed out by high water from the Tug River.

NOTE: This permit is contingent upon maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be over the sewer line.

The Environmental Engineering Division of the **OEHS St. Albans District Office,** (304) 722-0611 is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH: bms

pc: E. L. Robinson Engineering Company
Katheryn Emery, P.E., DEP
James W. Ellars, P.E.
Amy Swann, PSC
Mingo County Health Department
OEHS-EED St. Albans DO

CITY OF WILLIAMSON

ORDINANCE AUTHORIZING THE ISSUANCE OF $2,200,000 WATER AND SEWER REVENUE BOND, SERIES 1979, OF THE CITY OF WILLIAMSON JUNIOR AND SUBORDINATE TO TWO OUTSTANDING BOND ISSUES OF THE CITY AND BOND ANTICIPATION NOTES IN CONNECTION THEREWITH TO FINANCE THE COSTS OF ACQUISITION AND CONSTRUCTION OF ADDITIONS TO THE EXISTING WATER FACILITIES OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING FOR RATES FOR THE SERVICES OF THE SYSTEM AND FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE BOND AND THE NOTES; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WILLIAMSON, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of Article 20, Chapter 8 of the West Virginia Code and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The City of Williamson (the "City"), in the County of Mingo, State of West Virginia, now has a combined waterworks and sewerage system (the "System"). The inhabitants of the City and the area served by the System urgently require that there be constructed and acquired extensions, additions and improvements to the waterworks portion of the System as herein provided.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the City and the surrounding area and, accordingly, it is hereby ordered that the City cause to be constructed and acquired additions, extensions and improvements for such waterworks, consisting of water mains, a new distribution and treatment plant and a new dam with all necessary appurtenant facilities (such additions, extensions and improvements for the existing System and all appurtenant facilities being

collectively called the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the City Clerk.

(C) It is necessary for the City to issue its revenue bond in the principal amount of $2,200,000 to finance the costs of acquisition and construction of the Project in the manner hereinafter provided, and to issue its Bond Anticipation Notes as also hereinafter provided.

(D) The estimated maximum cost of the acquisition and construction of the Project is $8,470,200 of which $2,200,000 will be obtained from the proceeds of sale of the Bond or Notes herein authorized, $3,507,000 from a grant by the Government, $422,000 from a grant from the United States Department of Housing and Urban Development, $1,500,000 from a grant by Economic Development Administration and $519,000 from Appalachian Regional Commission.

(E) The cost of such acquisition and construction of the Project shall be deemed to include, without being limited to, the construction and acquisition of the extension to the existing waterworks; the acquisition of any necessary additional property, real or personal, or interest therein; interest on the Bond or the Notes during and for six months after the estimated completion of such construction to the extent that revenues of the System (hereinafter defined) are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There are outstanding the obligations of the City which will rank senior and prior to the Bond hereby authorized as to liens and source of and security for payment as follows:

Waterworks and Sewer Revenue Bonds of the City, dated December 1, 1954 (the "1954 Bonds") issued in the original principal amount of $375,000, presumed to be held by various members of the public;

Waterworks and Sewer Revenue Bonds, Series 1963 (the "1963 Bonds"), dated June 1, 1963, issued in the original principal amount of $400,000, also presumed to be held by various members of the public.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond and the Notes authorized to be issued hereunder by the Holders, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Holders, and the covenants and agreements herein set forth to be performed by the City shall be for the benefit, protection and security of the legal holders of the Bond and the Notes.

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

"Act" means Article 20, Chapter 8 of the West Virginia Code.

"Bond" means the $2,200,000 Water and Sewer Revenue Bond, Series 1979, originally authorized to be issued pursuant to this Ordinance; and also includes any additional bonds hereafter issued on a parity with the 1979 Bond within the terms, restrictions and conditions contained in this Ordinance; and, unless the context clearly means otherwise, includes the Notes.

"1954 Bonds" means the outstanding Bonds of the City dated December 1, 1954, described in Section 1.02(G) herein.

"1963 Bonds" means the outstanding Bonds of the City dated June 1, 1963, described in Section 1.02(G) herein.

"City" means the City of Williamson, in Mingo County, West Virginia, and where appropriate, also means the Common Council thereof and any other department, board, agency or instrumentality thereof at any time in control of the management and operation of the System, including Williamson Utility Board.

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

"Consulting Engineer" means Burgess and Niple, Limited, Consulting Engineers, Columbus, Ohio, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineers, Columbus, Ohio, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineer for the System.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Government" means United States of America, acting by and through the United States Department of Agriculture, Farmers Home Administration.

"Herein" means in this Ordinance.

"Holder of the Bonds" or "Bondholder" or any similar term means any person who shall be the bearer or owner of any outstanding Bond or Bonds and, unless clearly inappropriate, shall also mean the Holder of any Note.

"Mayor" means the Mayor of the City.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Notes" means the Bond Anticipation Notes described in Article IA hereof and also means any refunding notes hereafter authorized.

"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, insurance premiums, salaries, wages and administrative expenses of the City 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.

"1954 Ordinance" means the ordinance providing for the 1954 Bonds, enacted November 12, 1954.

"1963 Ordinance" means the ordinance providing for the 1963 Bonds, enacted June 3, 1963.

"Original Purchaser" means the purchaser, directly from the City, of any series of bonds issued pursuant hereto, or any part of any such series, and includes any such purchaser of the Notes directly from the City.

"Project" shall have the meaning stated above in Section 1.02(B).

"Reserve Requirement" means the maximum annual aggregate amount of interest and principal which will fall due on the Bonds outstanding.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the City, or accrued to the City, 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.

"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 1.05. Compliance with Coverage Test of 1954 Ordinance. Prior to the issuance of the Bond, the City shall certify that all payments required by the 1954 Ordinance and the 1963 Ordinance have been made to the date of the issuance of the Bond as required in the 1954 and the 1963 Ordinances and that the City is not in default under any provision of either the 1954 Ordinance or the 1963 Ordinance.

ARTICLE I A

BOND ANTICIPATION NOTES

Section 1.01 A. Authorization and General. In order to pay certain costs of the construction of the Project pending the purchase by the Government of the Bond, negotiable Notes of the City shall be issued and sold in the amount of $2,200,000.

Each Note shall be designated "Water and Sewer System Bond Anticipation Note," shall be dated on the date of delivery thereof, shall be in denominations which are integral multiples of $1,000, shall be in bearer form, shall bear interest from the date of delivery at the rate provided in the Resolution hereinafter described, which rate shall not exceed the rate of 6% per annum, payable at maturity, or at periodic intervals to be provided in the Resolution, which maturity shall be not mroe than three years from such date of delivery, shall be numbered from one upward, may be payable at a New York City Bank and at the principal office of the Trustee named below, as Paying Agents, at the option of the holder, and shall contain the provisions shown in the form of Notes set forth in Section 1.12 A below.

The Notes shall be executed for the City by its Mayor and the seal of the City shall be affixed or imprinted thereon and attested by the signature of the City Clerk.

The Notes shall be sold to such investment banking firm or firms pursuant to a Purchase Agreement to be entered into between the City and such investment banking firm or firms and shall be sold at the price to be provided in the Resolution.

Section 1.02 A. Deposit of Note Proceeds. A portion of the proceeds received from the sale of the Notes to be specified in the Purchase Agreement shall be deposited on receipt by the City in a bank to be designated in such Resolution (the "Trustee"), which shall be a member of the Federal Deposit Insurance Corporation (herein called "FDIC"), in the Project Construction Account established by Section 3.01 hereof.

The balance of the proceeds from the sale of the Notes shall be directly deposited on receipt by the City with the Trustee in a special segregated account designated as "City of Williamson Note Repayment Account," as more particularly described and upon the further terms and conditions of Section 1.06 A hereof.

Section 1.03 A. Security for the Notes. The Notes shall be secured by the pledge by the City of and by a first lien on (i) the obligation of the Government to make the loan to the City in the amount of (the "Loan") by purchasing the Bond, (ii) the proceeds of the sale of the Notes until expended as herein authorized, and said pledge by the City for the benefit of the holders of the Notes to the extent of the aggregate principal amount of the Notes and the interest thereon, is hereby made and granted. The City will execute such financing statements, security agreements and other documents that may be required to perfect such pledge and lien. The Trustee shall act as agent for the holders of the Notes in connection with the execution of all instruments necessary under applicable laws in order to fully perfect the interests of the holders of the Notes in the assets pledged hereby, and to receive all notices and respond to all inquiries in connection therewith. The Notes shall also be secured by a statutory mortgage lien on the System as provided in the Act, which statutory mortgage lien shall be on a parity in all respects with the statutory mortgage lien in favor of the Bond , but subject to the statutory mortgage lien in favor of the 1954 Bonds and the 1963 Bonds.

Section 1.04 A. Payment of Notes. The City will immediately, upon receipt, deposit with the Trustee all proceeds from the sale of the Bond to the Government, to be placed by the Trustee directly into the Note Repayment Account held by the Trustee. Upon maturity of the Notes, the Trustee will pay to the Paying Agents all principal and interest owing on the Notes, with the balance of moneys in the Note Repayment Account remaining after payment of all such principal and interest on the Notes and the charges of the Trustee to be refunded to the City.

Section 1.05 A. Notes are Limited Obligations. The Notes shall be limited obligations of the City, the interest of which is payable solely

from certain of the proceeds from the sale of the Notes, the principal of which is payable from the sources described in Section 1.03 A above, or, the principal of and interest on which is payable from the net revenues of the City arising from ownership and operation of System in the event that the Government shall not purchase the Bond in accordance with its agreement to do so.

Section 1.06 A. Trustee; Note Repayment Account. The Trustee shall segregate all funds and securities in the Note Repayment Account separate and apart from other deposits and funds of the Trustee and other deposits and funds of the City, including the Project Construction Account. All moneys in the Note Repayment Account, until payment in full of all principal and interest owing on the Notes at their maturity, shall be held by the Trustee for the holders of the Notes and the City shall have no rights with respect thereto except to receive the balance therein after payment of the Notes and the interest thereon and the charges of the Trustee. All moneys in the Note Repayment Account in excess of the amount insured by FDIC shall be continuously secured by, or invested by the Trustee in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which obligations shall mature at least 1 day prior to the maturity of the Notes. At or prior to the maturity of the Notes, the Trustee shall transfer to the Paying Agents in immediately available funds the total principal of and interest owing on the Notes to their maturity. Upon such transfer the Trustee may refund to the City any excess amounts remaining in the Note Repayment Account.

The City shall pay to the Trustee from time to time reasonable compensation for all services rendered by the Trustee under this Ordinance and all reasonable expenses, charges, counsel fees and other disbursements incurred by the Trustee in connection with its performance of its functions hereunder. The City shall from time to time have the right to appoint a

successor Trustee provided that such successor Trustee be a bank or trust company or national banking association insured by the FDIC. The Trustee shall signify its acceptance of the duties and obligations imposed by this Ordinance by executing and delivering to the City a written acceptance thereof.

Section 1.07 A. Paying Agents. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant to this Ordinance by executing and delivering to the City a written acceptance thereof. The City may appoint as successor Paying Agent any bank, trust company or national banking association. The Underwriters shall pay to each Paying Agent from time to time reasonable compensation for all services rendered under this Ordinance and all reasonable expenses, charges, counsel fees, and other disbursements incurred in connection with the performance of its obligations hereunder.

Section 1.08 A. Covenants. The City agrees that prior to the occurrence of any event of default (as hereinafter defined) and until payment in full of the principal and interest owing on the Notes at maturity, the following covenants contained in Article IV for the benefit of the Bondholder shall also inure to the benefit of the holders of the Notes: Sections 4.03, 4.04, 4.05, 4.06, 4.08, 4.10, 4.11, 4.12, 4.13, 4.15 and 4.16. Upon the occurrence of an event of default, the holders of the Notes shall be entitled to the benefit of all covenants contained in Article IV as if the holders of the Notes were the Bondholder.

In addition, the City covenants to issue and sell the Bond to the Government not later than one day prior to the due date of the Notes, and to take all actions necessary to cause the Government to purchase the Bond not later than such day.

Section 1.09 A. Events of Default and Enforcement. Each of the following events is hereby declared an "Event of Default": (a) failure to make timely payment of all principal and interest owing on the Notes at maturity; and (b) failure duly and punctually to observe or perform any of

the covenants, conditions and agreements on the part of the City for the benefit of the holders of the Notes as hereinabove provided.

On the happening of any Event of Default, then, and in each such case, each Noteholder shall be entitled to proceed against all assets pledged and shall have and is hereby given all further rights and remedies as are granted by this Ordinance to the Bondholder and each holder of the Notes shall be deemed to be a Bondholder upon such default.

In the event that any Note is not paid when due, the interest rate on such Note until payment thereof in full, shall be 8% per annum and the City will pay the holder of every Note not paid when due the principal amount of such Note, together with interest at the rate specified in such Note from the date of such Note until the due date thereof, and at the rate of 8% per annum from the due date of such Note until payment thereof in full.

Section 1.10 A. Defeasance of Notes. Upon deposit by the City with the Trustee into the Note Repayment Account of the $2,200,000 proceeds of sale of the Bond, the Notes shall be considered to have been paid in full insofar as this Ordinance is concerned; and the holders of the Notes shall have no further lien on or pledge of any properties or assets whatever of the System or any part of the System or upon any of the revenues of the System; and the holders of the Notes shall, upon such deposit, be entitled to payment of the Notes and the interest thereon solely from the moneys then on deposit in the Note Repayment Account.

Section 1.11 A. Resolution. Following enactment of this Ordinance, and upon receipt of the Purchase Agreement referred to in Section 1.01 A, the City, if it be so advised, will adopt a Resolution approving the Purchase Agreement and ordering the issuance of the Notes pursuant hereto and to the Resolution, which Resolution will provide, among other things, the interest rate or rates on the Notes, the interest payment dates, the maturity date of the Notes, the sale price of the Notes, and such other matters as shall be required or desired in connection with issuance of the Notes.

Section 1.12 A. Form of Notes. The Notes shall be in the following form, subject to such changes, insertions and deletions as the Mayor of the City shall agree to by execution of the Notes:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WILLIAMSON
WATER AND SEWER SYSTEM BOND ANTICIPATION NOTE

No. $

The CITY OF WILLIAMSON, a municipal corporation of the State of West Virginia in Mingo County of said State (the "City"), for value received, hereby promises to pay to bearer upon presentation and surrender hereof the sum of , without option of prior redemption, on _____, with interest at the rate of per cent (_____%) per year payable _____. Both principal and interest are payable in lawful money of the United States of America at the principal office of _____, _____, West Virginia, or at the option of the holder, at _____ _____, New York, New York.

This Note is one of a series of Notes in the aggregate principal amount of $2,200,000 duly authorized by the City and issued in anticipation of the issuance of the Water and Sewer Revenue Bond, Series 1979 (the "Bond"), of the City in the principal sum of $2,200,000 for aiding in the construction of additions, extensions and improvements (the "Project") of the existing waterworks and sewerage system (the "System") of the City.

Farmers Home Administration of the United States Department of Agriculture has agreed to purchase the Bond at least one day prior to the due date of the issue of Notes of which this Note is one.

The principal of this Note, and of the issue of Notes of which this Note is one, is payable solely, equally, ratably, and only from the proceeds of sale of the Bond and, if Farmers Home Administration should not purchase the Bond as agreed, from the net revenues of the System defined in the Ordinance mentioned below, subject to the prior lien on such net revenues in favor of the 1954 Bonds and the 1963 Bonds described in said Ordinance. The proceeds of sale of the Bond have been pledged to the Noteholders to secure payment of the principal of the Notes.

Moneys from the proceeds of sale of the Notes to pay the interest on the Notes have been deposited with _____ _____, _____, West Virginia, as Trustee.

The Notes of the issue of which this Note is one are limited and special obligations of the City, and do not and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitations or provisions, and the City shall not be obligated to pay this Note and the Notes of the issue of which this Note is one or the interest thereon except from the proceeds of sale of the said Bond received by the City and the proceeds of the Notes for the interest on the Notes and any other sources which may be provided by the ordinance authorizing issuance of the Notes and the Bond.

The Notes of the issue of which this Note is one have been duly authorized by an Ordinance and a Resolution of the City and pursuant to West Virginia Code, Chapter 8, Article 20.

Every requirement of law relating to the issuance hereof has been duly complied with.

IN WITNESS WHEREOF, CITY OF WILLIAMSON has caused this Note to be signed by its Mayor and its seal to be hereto affixed and attested by its City Clerk all as of the date above written.

Dated _____.

[SEAL] CITY OF WILLIAMSON

ATTEST: By _____
Mayor

_____
City Clerk

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions hereof, a Bond of the City to be known as Water and Sewer Revenue Bond, Series 1979" is hereby authorized to be issued in the aggregate principal amount of not exceeding Two Million Two Hundred Thousand Dollars ($2,200,000) for the purpose of financing part of the costs of the construction and acquisition of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in negotiable form, without coupons, and shall be dated on the date of delivery thereof. The Bond shall bear interest from date at the rate of five per centum (5%) per annum. The minimum price for the Bond shall be the par value thereof. The Bond shall be numbered 1.

Prepayments of principal of the Bond may be made at any time without penalty.

The Bond shall be payable in amounts and at the place or places as provided in the form therefor hereinafter set forth.

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the City by the Mayor and the corporate seal of the City shall be affixed thereto and attested by the City Clerk. The Bond may be signed and sealed on behalf of the City by such person as at the actual time of the execution thereof shall hold the proper office in the City, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 2.04. Negotiability. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the laws of the State of West Virginia.

Section 2.05. Bond Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Bond of like tenor

as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the City proof of his ownership thereof and complying with such other reasonable regulations and conditions as the City may require. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.06. Bond Secured by Pledge of Revenues. The payment of the debt service of the Bond shall be secured forthwith by a lien on the revenues derived from the System, but junior and subordinate to the liens, pledges and all other respects in favor of the 1954 Bond and the 1963 Bond. The revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond after payment of the 1954 and the 1963 Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of installments of the principal of and interest on the Bond as the same become due as herein provided.

Section 2.07. Form of Bond. Subject to the provisions hereof, the text of the Bond shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this Ordinance or any subsequent ordinance or resolution enacted or adopted prior to the issuance thereof:

(Form of Bond)

WATER AND SEWER REVENUE BOND

SERIES 1979

CITY OF WILLIAMSON

No. 1

$2,200,000 Date:_____

FOR VALUE RECEIVED, the CITY OF WILLIAMSON (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government") at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Two Million Two Hundred Thousand Dollars ($2,200,000) plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on or before one month after the date hereof and each month thereafter for the first twenty-four months after the date hereof, and $10,802 covering principal and interest in each month thereafter, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments,

as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions for the combined waterworks and sewerage system of the Borrower, is payable solely from the revenues to be derived from the operation of such system after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the system. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including among others, Article 20 of Chapter 8 of the West Virginia Code (herein called the "Act"), and with an Ordinance of the Borrower duly enacted.

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

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

This Bond is junior and subordinate as to liens and pledges and in all respects to the 1954 Bonds and the 1963 Bonds described in the said Ordinance.

CITY OF WILLIAMSON
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

ATTEST:

Mayor
(Title of Executive Official)

(Signature of Attesting Official)

City Hall
(Post Office Box No. or Street Address)

City Clerk
(Title of Attesting Official)

Williamson, West Virginia 25661
(City, State and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	

TOTAL _____

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

ARTICLE III

NOTE PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. Note Proceeds; Project Construction Account. The portion received from the sale of the Notes stated in the Purchase Agreement shall be deposited on receipt by the City with the Trustee in the Note Repayment Account. Any other moneys received by the City for construction of the Project shall be deposited in The First National Bank of Williamson, Williamson, West Virginia, a member of FDIC, in a special account hereby now established and designated as "City of Williamson Waterworks and Sewage Construction Account" (herein called the "~~Project Construction Account~~"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the City solely for the purposes provided herein.

Until completion of construction of the Project, the City will transfer from the Project Construction Account and deposit in the Sinking Fund monthly such sums as shall be from time to time required to pay the monthly interest installments on the Bond as herein and in the Bond provided.

If the City shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the City may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be promptly used in accordance with the regulations of the Government.

Section 3.02. Covenants as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the 1979 Reserve Account hereinafter established, a sum sufficient to pay the entire principal of the Bond remaining unpaid, together with interest accrued thereon, the City further covenants with the holder of the Bond issued pursuant hereto as follows:

(A) Water and Sewer Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the City in a special fund, which fund, known as the "Revenue Fund" was established by the 1954 Ordinance. The Revenue Fund is now on deposit with said Bank. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and the 1954 and 1963 Ordinances and shall be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner provided herein. The holders of the Bonds shall have a lien on and pledge, hereby granted, of all the gross revenues of the System so long as the Bonds remain unpaid and a statutory mortgage lien granted by the Act; the 1954 Bonds have first and senior priority thereon, the 1963 Bonds having second priority and the Bond has third, junior and subordinate priority.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The City shall first, each month, from the moneys in the Revenue Fund, pay the Operating Expenses for the previous month.

(2) The City shall next, each month, transfer to the Sinking Fund and the Reserve Account established by the 1954 Ordinance and to the

1963 Sinking Fund and the 1963 Reserve Account established by the 1963 Ordinance the amounts required to be paid into such funds and accounts by the 1954 and 1963 Ordinances, [except that instead of semi-annual payments required by the 1954 and 1963 Ordinances into such funds and accounts, monthly payments shall be made in such sums as to accrue the required semi-annual amounts.]

(3) The City shall next, each month, pay from the Revenue Fund to the Bondholder, as provided in the Bond, the installment payment required by the terms of the Bond.

(4) The City shall next, each month, transfer from the Revenue Fund and deposit in the Renewal and Replacement Fund established with the said Bank by the 1954 Ordinance 6% of the gross revenues of the System in the preceding month. Moneys in the Renewal and Replacement Fund shall be used by the City as provided in the 1954 and 1963 Ordinances and, when all the 1954 and 1963 Bonds have been paid, shall next be used for payment of principal of and interest on the Bond as the same become due, and next to restore to the 1979 Reserve Account any sum or sums transferred therefrom to pay such principal or interest. Thereafter, and provided that payments of installments of the Bond and into the 1979 Reserve Account are current and in accordance with the foregoing provisions, moneys in the Renewal and Replacement Fund may be withdrawn by the City and used for extensions, replacements and improvements of the System, or any part thereof.

(5) The City shall next, each month, transfer from the Revenue Fund and deposit into the 1979 Reserve Account hereby established in said Bank, ~~one-twelfth of one-tenth~~ of the maximum annual aggregate amount of interest and principal which will fall due on the Bond until the amount in the 1979 Reserve Account equals such maximum annual aggregate amount of interest and principal (such account being called the "1979 Reserve Requirement"). After the 1979 Reserve Requirement has been accumulated in the 1979 Reserve Account, the City shall monthly pay into the 1979 Reserve Account

such part of the moneys remaining in the Revenue Fund, after such provision for payment of maturing principal of and interest on the Bond, as shall be required to maintain the 1979 Reserve Requirement. Moneys in the 1979 Reserve Account shall be used solely to make up any deficiency of revenues for payment of the principal of and interest on the Bond as the same shall mature or for mandatory prepayment of the principal of the Bonds as hereinafter provided and for no other purpose.

(6) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein may be used to prepay the principal of the Bond or for any lawful purpose in connection with the System.

Whenever the moneys in the 1979 Reserve Account shall be sufficient to pay or prepay the Bond, it shall be the mandatory duty of the City, anything to the contrary in this Ordinance notwithstanding, to pay or prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Bond and accrued interest thereon to such prepayment date. All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used the Bondholder shall have a lien thereon for further securing payment of the Bond and the interest thereon. The moneys in excess of the sum insured by FDIC in the Revenue Fund, the 1979 Reserve Account and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal Funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to place the required amount in any of the funds or accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to those which would otherwise be required to be made into the funds or accounts on the subsequent payment dates.

The City shall keep the moneys in the 1979 Reserve Account

and the Renewal and Replacement Fund invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years, and subject to the covenants in Section 4.15 hereof.

(D) The Bank in which the funds provided for in this Section are on deposit shall not be the trustee of any of such funds, but merely the depository thereof.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the City and the Bondholders.

Section 4.02. Rates. The City will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than the amounts required by the 1954 and 1963 Ordinances and in any event not less than 135% of the average annual debt service on the Bond and to make the payments required herein to be made for payment of the Bonds and the interest thereon and into the Funds and Accounts herein provided, and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of without the prior written consent of the Government. Such consent will specify the use of the proceeds of any such disposition.

Section 4.04. Covenant Against Encumbrances. The City will not issue any obligations whatsoever payable from the revenues of the System without the prior written consent of the Government.

Section 4.05. Issuance of Additional Parity Bonds. No additional parity Bonds payable out of the revenues of the System, shall be issued except upon prior written consent of the Government. w Farmers Home

Section 4.06. Insurance and Bonds. The City hereby covenants and agrees that so long as the Bond remains outstanding, it will, as an expense of operation and maintenance of the System, procure, carry and

maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the City will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The City will itself, or will require each contractor and subcontractor to obtain and maintain builder's risk insurance to protect the interests of the Town during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the City from claims for bodily injury and/or death and not less than $200,000 from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured at the commencement of construction of the Project.

(c) Vehicular Public Liability Insurance, in the event the City owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the City is operated for the benefit of the City, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the City from claims for bodily injury and/or death, and not less than $200,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(d) Workmen'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, will be

required of each contractor dealing directly with the City and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(e) Fidelity Bonds will be provided as to every officer and employee of the City having custody of the Revenue Fund 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, and initially in the amount of $10,000 upon the City Clerk, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned.

(f) National Flood Insurance, to the extent available, must be in effect.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Government holds the Bond, the City will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the City and during such construction will require each prime contractor to carry insurance, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptance to the Government.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any installment of the principal of interest due on the Bonds on the date specified for the payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the City in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Bondholder may proceed to protect and enforce the rights of the Bondholder by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by such Bondholder, such court may, upon proof of such default, appoint a receiver for the affairs of the City and the System. The receiver so appointed shall administer the System on behalf of the City, shall exercise all the rights and powers of the City with respect to the System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.09. Fiscal Year; Budget. While the Bonds outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the City agrees that the Williamson Utility Board shall adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by said Board. Copies of each Annual Budget shall be delivered to the Government by the beginning of each fiscal year.

If for any reason the City shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further, that adoption of a Budget of Current

Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the City. Each such Budget of Current Expenses shall be delivered and mailed immediately as in the case of the Annual Budget.

Section 4.10. Covenant to Proceed and Complete. The City hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the City Clerk on the date of enactment hereof, subject to permitted changes.

Section 4.11. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City in which complete and correct entries shall be made of all transactions relating to the System, and the holder of the Bond, its agents and representatives, shall have the right at all reasonable times to inspect the System and all records, accounts and data of the City relating thereto.

The City shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants, shall mail a copy of such audit report to the Government, and shall make available the report of said accountants at all reasonable times to any customer receiving services from the System, or anyone acting for and in behalf of such Bondholder or customer. The Government, so long as it holds the Bond, may permit substitution of a copy of the annual audit report by the office of the State Tax Commissioner for the copy of annual audit report by a certified public accountant.

Section 4.12. Maintenance of the System. The City covenants that it will, through the Williamson Utility Board, continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 4.13. No Competition. The City will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to, or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the City or within the territory served by the System.

Section 4.14. Initial Connections. The Bond will not be issued until the Mayor has certified that not less than 2,318 bona fide customers are now connected with the waterworks portion of the System.

Section 4.15. Arbitrage Covenant. The City shall not permit at any time or times any of the proceeds of the Bond, the Notes or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the Bond or the Notes to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Mayor of the City shall deliver his certificate, based upon this covenant, with regard thereto to the original purchasers of the Bond and the Notes directly from the City. It is hereby covenanted that the proceeds of the Bond and the Notes will be not invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Section 4.16. Williamson Utility Board. The Williamson Utility Board heretofore established by the Council to operate, control, supervise and maintain the System shall be continued by the City so long as the Bond is outstanding and the powers and duties of the Williamson Utility Board shall not be substantially curtailed so long as the Bond is outstanding. The Bond will be sold to the Government with the understanding that the System will be controlled, supervised, operated and maintained by the Board on a non-political and businesslike basis so long as the Bond is outstanding.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules.
A. The initial schedules of rates and charges for the services and facilities of the System shall be as follows:

PROPOSED TARIFF-WATER--INTERIM RATES

Schedule No. 1

Applicable within the corporate limits of the City of Williamson, Mingo County, West Virginia.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE (Based upon the metered amount of water supplied)

First	20,000 gallons used per month	$2.30 per 1,000 gallons
Next	30,000 gallons used per month	1.59 per 1,000 gallons
Next	50,000 gallons used per month	1.42 per 1,000 gallons
Over	100,000 gallons used per month	1.14 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

3/4 inch meter, or less	$ 6.90 per month
1 inch meter, or less	17.66 per month
1 1/2 inch meter, or less	39.74 per month
2 inch meter, or less	70.66 per month
3 inch meter, or less	158.98 per month
4 inch meter, or less	293.47 per month
6 inch meter, or less	635.90 per month
8 inch meter, or less	1,130.50 per month

PUBLIC FIRE PROTECTION

A charge of $10.00 per year per fire hydrant in place shall be made to the City of Williamson.

DELAYED PAYMENT PENALTY

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

PROPOSED TARIFF-WATER-INTERIM RATES

SCHEDULE NO. 2

Applicable outside the corporate limits of the City of Williamson, Mingo County, West Virginia.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE (Based upon the metered amount of water supplied)

First	20,000 gallons used per month	$2.55 per 1,000 gallons
Next	30,000 gallons used per month	2.02 per 1,000 gallons
Next	50,000 gallons used per month	1.79 per 1,000 gallons
Next	900,000 gallons used per month	1.54 per 1,000 gallons
Next	1,000,000 gallons used per month	1.24 per 1,000 gallons

MINIMUM CHARGE $10.20

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8 inch meter, or less	$ 10.20 per month
3/4 inch meter	14.69 per month
1 inch meter	26.11 per month
1 1/2 inch meter	58.75 per month
2 inch meter	104.45 per month
3 inch meter	163.20 per month
4 inch meter	417.79 per month
6 inch meter	940.03 per month
8 inch meter	1,671.17 per month

DELAYED PAYMENT PENALTY

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

PROPOSED TARIFF - WATER - PERMANENT RATES

(Effective 2 years after Bond Delivery)

SCHEDULE NO. 1

Applicable within the corporate limits of the City of Williamson, Mingo County, West Virginia.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE (Based upon the metered amount of water supplied)

First	20,000 gallons used per month	$2.60 per 1,000 gallons
Next	30,000 gallons used per month	1.79 per 1,000 gallons
Next	50,000 gallons used per month	1.60 per 1,000 gallons
Next	100,000 gallons used per month	1.28 per 1,000 gallons

MINIMUM CHARGE $7.80

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

3/4 inch meter, or less	$ 7.80 per month
1 inch meter, or less	19.97 per month
1 1/2 inch meter, or less	44.93 per month
2 inch meter, or less	79.87 per month
3 inch meter, or less	179.71 per month
4 inch meter, or less	319.49 per month
6 inch meter, or less	718.85 per month
8 inch meter, or less	1,277.95 per month

PUBLIC FIRE PROTECTION

A charge of $10.00 per year per fire hydrant in place shall be made to the City of Williamson.

DELAYED PAYMENT PENALTY

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

PROPOSED TARIFF - WATER - PERMANENT RATES

(Effective 2 years after Bond Delivery)

SCHEDULE NO. 2

Applicable outside the corporate limits of the City of Williamson, Mingo County, West Virginia.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE (Based upon the metered amount of water supplied)

First	20,000 gallons used per month	$2.87 per 1,000 gallons
Next	30,000 gallons used per month	2.27 per 1,000 gallons
Next	50,000 gallons used per month	2.02 per 1,000 gallons
Next	900,000 gallons used per month	1.73 per 1,000 gallons
Next	1,000,000 gallons used per month	1.40 per 1,000 gallons

MINIMUM CHARGE $11.50

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8 inch meter, or less	$ 11.50 per month
3/4 inch meter, or less	16.56 per month
1 inch meter, or less	29.44 per month
1 1/2 inch meter, or less	66.24 per month
2 inch meter, or less	117.76 per month
3 inch meter, or less	264.96 per month
4 inch meter, or less	471.04 per month
6 inch meter, or less	1,059.84 per month
8 inch meter, or less	1,884.16 per month

DELAYED PAYMENT PENALTY

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

PROPOSED TARIFF - SEWER - INTERIM AND PERMANENT RATES

SCHEDULE NO. 1

Applicable within the corporate limits of the City of Williamson, Mingo County, West Virginia.

AVAILABILITY OF SERVICE

Available for sanitary sewer service

RATE (Based upon the metered amount of water supplied)

First	20,000 gallons used per month	$ .75 per 1,000 gallons
Next	30,000 gallons used per month	.52 per 1,000 gallons
Next	50,000 gallons used per month	.45 per 1,000 gallons
Over	100,000 gallons used per month	.36 per 1,000 gallons

MINIMUM CHARGE

Minimum monthly charge $2.24

DELAYED PAYMENT PENALTY

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

PROPOSED TARIFF - SEWER - INTERIM AND PERMANENT RATES

SCHEDULE NO. 2

Applicable outside the corporate limits of the City of Williamson, Mingo County, West Virginia.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATE (Based upon the metered amount of water supplied)

First	20,000 gallons used per month	$ .84 per 1,000 gallons
Next	30,000 gallons used per month	.67 per 1,000 gallons
Next	50,000 gallons used per month	.59 per 1,000 gallons
Next	900,000 gallons used per month	.51 per 1,000 gallons
Over	1,000,000 gallons used per month	.42 per 1,000 gallons

DELAYED PAYMENT PENALTY

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

MINIMUM CHARGE

Minimum monthly charge $ 3.40 .

CONNECTION CHARGE

There shall be a charge to all new customers for connection to the system of One Hundred Fifty Dollars ($150).

MULTIPLE OCCUPANCY

On apartment buildings, or other multiple occupancy buildings no bill shall be rendered for less than the minimum charge herein established multiplied by the number of units occupied therein at the time the meter is read, the minimum charge established based on the size water meter installed, or the actual charge based on the amount of water used, whichever is greater. Motels and hotels shall pay according to the size of water meter installed and the amount of water used.

TRAILER COURTS

On house trailer courts, no bill shall be rendered for less than the minimum charge herein established, multiplied by the number of units situated on the court site at the time the water meter is read, the charge established based on the minimum bill for the size water meter installed, or the actual charge based on the amount of water used, whichever is greater. House trailers (as used hereinabove) shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a part or court, shall be billed in the same manner as any other family or business unit.

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

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

D. No allowance or adjustment in any bill for use of the services and facilities of the System shall be made for any leakage occurring on the customer's side of any water meter.

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

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

G. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the City shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide net revenues to meet its obligations hereunder, but not less than 135% of the average annual debt service on the Bonds.

H. The City will not accept payment of a water or a sewer bill separately, when the customer concerned owes for both water and sewer services. For non-payment of charges for water or sewer services, or both, the City after notice of discontinuance in accordance with the applicable Public Service Commission rules and regulations, will shut off water service and lock the meter, and will restore service only upon payment of all water and sewer charges and accrued penalties.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Modification or Amendment. No material modification or amendment of this Ordinance, or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the Government.

Section 6.02. Award of Bond. The Bond is hereby awarded to the Government, unless, prior to delivery of the Bond the Government requires public sale thereof.

Section 6.03. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions hereof or the Bonds or coupons appertaining thereto.

Section 6.04. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed, but excluding the 1954 and the 1963 Ordinances and the Form FmHA 442-47 Loan Resolution (Public Bodies) adopted by the City.

Section 6.05. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.06. Effective Time. This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 6.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, determined by the Council to contain sufficient information as to give notice of the contents of the Ordinance, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication in the Williamson Daily News, a newspaper published and of general circulation in the City, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bond and the Notes described in the Ordinance, and that any person interested may appear before the Council upon a date certain, stated in such notice, which date shall be not less than ten days subsequent to the date of the second publication of the said abstract 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 in the premises.

Passed on First Reading January 26, 1979

Passed on Second and Final Reading February 23, 1979

Effective following public hearing held on the date of Second and Final Reading ~~stated above~~.

Mayor

City Clerk

CITY OF WILLIAMSON

WATERWORKS AND SEWER REVENUE BONDS
SERIES 1986 A, SERIES 1986 B, and SERIES 1986 C
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

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CITY OF WILLIAMSON

ORDINANCE

ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF WILLIAMSON OF NOT MORE THAN $1,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 A, NOT MORE THAN $750,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 B, NOT MORE THAN $1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 C, AND NOT MORE THAN $8,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR BOTH, TO FINANCE THE COSTS OF ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWER FACILITIES OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WILLIAMSON, WEST VIRGINIA:

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, the "Ordinance") is enacted 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 Williamson (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Mingo County of said State.

B. The Issuer presently owns and operates a combined waterworks and sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain extensions, additions, betterments and improvements to the sewerage portion of the System of Issuer (the "Project") which constitute properties for the treatment and collection of liquid or solid wastes, sewage or industrial wastes (the existing facilities, the Project, and any additions thereto or extensions thereof

is herein called the "System") at an estimated cost of $12,253,298, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

C. The estimated revenues to be derived in each year after the enactment hereof 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 (as hereinafter defined) and all Sinking Funds, Reserve Accounts and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Waterworks and Sewer Revenue Bonds in the total aggregate principal amount of not more than $4,300,000 in three series, being the Series 1986 A Bond in the aggregate principal amount of not more than $1,750,000, the Series 1986 B Bond in the aggregate principal amount of not more than $750,000, and the Series 1986 C Bond in the aggregate principal amount of not more than $1,800,000 (collectively, the "Bonds"), and, if necessary, contemporaneously therewith, or as soon as practicable thereafter, to issue its sewerage system grant anticipation notes, or a note or notes evidencing a line of credit, or both (together collectively, the "Notes") in the aggregate principal amount of not more than $8,000,000 to temporarily finance costs of construction and acquisition of the Project pending the receipt of Grant Receipts. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes and the Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; engineering, and legal expenses; expenses for estimates of cost and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incident 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, including, with respect to the Notes, any commitment fees, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes 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 Original Bonds (as hereinafter defined), Nos. R-1 and R-2, be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and supplemental loan agreement (collectively, the "Loan Agreement") entered into between the Issuer and

the Authority, in form satisfactory to the Issuer and the Authority, and it is in the further best interests of the Issuer that its Original Bond No. R-3 be sold to the Government (as hereinafter defined) pursuant to a Letter of Conditions and Commitment from the Government.

G. (i) Upon the issuance of the Bonds authorized herein, the following waterworks and sewer bonds of the City will remain outstanding: (a) the Waterworks and Sewer Revenue Bonds, dated as of December 1, 1954, (the "1954 Bonds") issued in the original principal amount of $375,000, secured under the terms of the 1954 Ordinance (hereinafter defined); (b) the Waterworks and Sewer Revenue Bonds, dated as of June 1, 1963, (the "1963 Bonds") issued in the original principal amount of $400,000, secured under the terms of the 1963 Ordinance (hereinafter defined); and (c) the Water and Sewer Revenue Bond of 1979, (the "1979 Bond") issued in the original principal amount of $2,200,000, secured under the terms of the 1979 Ordinance (hereinafter defined).

(ii) Sufficient sums have been deposited with the West Virginia Municipal Bond Commission, as fiscal agent, in accounts and funds established therewith under the 1954 Ordinance, to pay, when due, principal and interest on the 1954 Bonds, and, therefore, there is no longer a lien on the Net Revenues of the System for such purpose.

(iii) The 1963 Bonds shall rank senior and prior to the Bonds hereby authorized and the 1979 Bond as to liens and source of and security for payment.

(iv) The 1979 Bond, the Series 1986 A Bond (hereinafter defined) and the Series 1986 C Bond (hereinafter defined) are on a parity in all respects to each other as to liens and source of and security for payment.

(v) The Series 1986 B Bond (hereinafter defined) shall be junior and subordinate to the 1979 Bond, the Series 1986 A Bond and the Series 1986 C as to the liens and source of and security for payment.

(vi) Prior to the issuance of the Bonds authorized herein, the City shall certify that all payments required by the 1963 Ordinance and the 1979 Ordinance have been made to the date of the issuance of the Bonds as required in the 1963 and the 1979 Ordinances and that the City is not in default under any provision of either the 1963 Ordinance or the 1979 Ordinance.

H. The Issuer has complied, or at the time of issuance of the Original Bonds will have 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 and, if applicable, the Notes, 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 have expired.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds and the Notes by those who shall be the registered owners of the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders and such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the registered owners of any and all of such Bonds and Notes, respectively.

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 adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of Original Bond No. R-1 in the principal amount not to exceed $1,750,000 and Bond No. R-2 in the principal amount not to exceed $750,000, 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 City of Williamson 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 Registrar" means the bank to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means the Original Bonds and any bonds on a parity therewith authorized to be issued hereunder, and, when the context requires, the 1979 Bond.

"Clerk" means the Clerk of the City.

"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 Kelley, Gidley, Blair & Wolfe, Inc., Charleston, West Virginia, 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 1.02(D) hereof to be a part of the cost of construction and acquisition of the Project.

"Depository Bank" means the bank designated as such by Supplemental Resolution, and its successors and assigns.

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

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

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

"Governing Body" means the common council of the Issuer, consisting of five council members, the Mayor and the City Clerk.

"Government" means United States Department of Agriculture, Farmers Home Administration, and any successor thereof, which is expected to be the original purchaser of the Original Bond numbered R-3,

"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 EPA Grant or any of the Other Grants, 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 Grant is to be paid to the Issuer; provided, that "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of the Notes; provided, that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant received after issuance of the Notes, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

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

to connect thereto, and for the furnishing by the Issuer of miscellaneous service.

"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.

"Indenture" or "Trust Indenture" means the Trust Indenture between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"Issuer" or "City" means the City of Williamson, County of Mingo, West Virginia, and unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement entered into between the Authority and the Issuer providing for the purchase of Original Bonds, Numbers R-1 and R-2, from the Issuer by the Authority, the forms of which have been approved, and the execution and delivery by the Issuer authorized by a resolution adopted by the Issuer prior to the enactment of this Ordinance.

"Mayor" means the Mayor of the City.

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

"Noteholder", "Holder of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" or "GAN" means collectively, the not more than $8,000,000 in aggregate principal amount of Waterworks and Sewerage System Grant Anticipation Notes, originally authorized hereby, or the not more than $8,000,000 in aggregate principal amount of a note or notes evidencing a line of credit originally authorized hereby, and unless the context clearly indicates otherwise, the terms "Notes" or "GAN" includes any refunding Notes or GAN of the Issuer.

"Notes Registrar" means the bank to be designated as such in the Indenture or by Supplemental Resolution and its successors and assigns.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses,

other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Registrar, and the Paying Agent (all as hereinafter 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", "Bond and Notes Ordinance" or "Local Act" means this Bond and Notes Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, the not more than $1,750,000 in aggregate principal amount of Series 1986 A Bond, not more than $750,000 in aggregate principal amount of Series 1986 B Bond, and not more than $1,800,000 in aggregate principal amount of Series 1986 C Bond issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted hereby, which Bonds shall be issued in accordance with this Ordinance and a resolution or resolutions supplemental hereto and which are originally authorized hereby.

"Original Notes Purchaser" means, in the event grant anticipation notes are issued, G. L. Cottrill & Company, Inc., of Charleston, West Virginia, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means collectively, the West Virginia Water Development Authority Grant, together with any other grant hereafter received by the Issuer to aid in financing any Costs.

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

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof, payable from Net Revenues.

"Paying Agent" means the bank or banks designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution or such other entity or authority as may be designated by the Issuer.

"Program" means the Authority's loan program, under which the Authority purchases revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of a secondary sewage treatment plant, rehabilitation of existing collection lines and acquisition and construction of certain new sewage collection and transportation facilities consisting of sewer mains, manholes, pump stations and all necessary appurtenances.

"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; Federal Farm Credit Bank; 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 paid 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 Investment Agreement which may be entered into by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution; and

(i) 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 (i).

"Registered Owner", "Bondholder", "Noteholder", "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 as appropriate, either the Bond Registrar or the Notes Registrar or both.

"1979 Bond" means the $2,200,000 in aggregate principal amount of Water and Sewer Revenue Bond, Series 1979, of the Issuer.

"Series 1986 A Bond" means the not more than $1,750,000 in aggregate principal amount of Waterworks and Sewer Revenue Bonds, Series 1986 A, of the Issuer.

"Series 1986 A Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 1986 A Bond in the then current or any succeeding Fiscal Year.

"Series 1986 B Bond" means the not more than $750,000 in aggregate principal amount of Waterworks and Sewer Revenue Bonds, Series 1986 B, of the Issuer.

"Series 1986 B Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any,

which will become due on the Series 1986 B Bond in the then current or any succeeding Fiscal Year.

"Series 1986 C Bond" means the not more than $1,800,000 in aggregate principal amount of Waterworks and Sewer Revenue Bonds, Series 1986 C, of the Issuer.

"Series 1986 C Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 1986 C Bond in the then current or any succeeding Fiscal Year.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution 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 Original Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Original Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this 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 Renewal and Replacement Fund and the Reserve Account, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project, and any other obligations outstanding as of the date of issuance of the Bonds authorized hereunder.

"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, betterments, 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.

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, its successors and assigns.

"WDA Grant" means the grant from the West Virginia Water Development Authority pursuant to the commitment therefor.

"1954 Ordinance" means the ordinance providing for the 1954 Bonds, enacted November 12, 1954.

"1963 Ordinance" means the ordinance providing for the 1963 Bonds, enacted June 6, 1963.

"1979 Ordinance" means the ordinance providing for the 1979 Bond, enacted February 23, 1979.

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 $12,253,298, 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 Notes and the Bonds hereby authorized shall be applied as provided in Article IV of the Indenture (if Notes are issued) and Article VI hereof, respectively.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purpose of paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $4,300,000. Said Bonds shall be issued contemporaneously in three series, to be designated respectively, "Waterworks and Sewer Revenue Bonds, Series 1986 A", in the aggregate principal amount of not more than $1,750,000, "Waterworks and Sewer Revenue Bonds, Series 1986 B", in the aggregate principal amount of not more than $750,000, and "Waterworks and Sewer Revenue Bonds, Series 1986 C", in the aggregate principal amount of not more than $1,800,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Notes. The proceeds of the Bonds (excluding accrued interest, if any) remaining after capitalization of interest, if any, and payment of the costs of issuance thereof and related costs shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Original Bonds.

A. The Series 1986 A Bond. The Series 1986 A Bond, in the principal amount not to exceed $1,750,000, shall be issued in fully registered negotiable form, No. R-1, and shall be dated on the date of delivery thereof. The Bond shall bear interest from date of delivery at the rate of 9.75 per centum (9.75%) per annum. The minimum price for the Bond shall be the par value thereof.

The Series 1986 A Bond shall be payable in amounts and at the place or places as provided in the form therefor hereinafter set forth, or as provided by Supplemental Resolution.

B. The Series 1986 B Bond. The Series 1986 B Bond, in the principal amount not to exceed $750,000, shall be issued in fully registered negotiable form, No. R-2, and shall be dated on the date of delivery thereof. The Bond shall be non-interest bearing. The minimum price for the Bond shall be the par value thereof.

The Series 1986 B Bond shall be payable in amounts and at the place or places as provided in the form therefor hereinafter set forth, or as provided by Supplemental Resolution.

C. The Series 1986 C Bond. The Series 1986 C Bond, in the principal amount not to exceed $1,800,000, shall be issued in fully registered negotiable form, No. R-3, and shall be dated on the date of delivery thereof. The Bond shall bear interest from date of delivery at the rate of 5.00 per centum (5.00%) per annum. The minimum price for the Bond shall be the par value thereof.

The Series 1986 C Bond shall be payable in amounts and at the place or places as provided in the form therefor hereinafter set forth, or as provided by Supplemental Resolution.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, with Nos. R-1 and R-2 being fully registered to the Authority and No. R-3 fully registered to the Government with a payment record attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided therein or in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installment or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that neither the Authority nor the Government shall be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. The registered Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. 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 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, such Bonds may nevertheless be sold and delivered as herein

provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.09 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, if applicable, and delivered under this Ordinance. 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 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said 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 in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The 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 thereof 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 Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled 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 and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In any case any Bond 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, 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 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 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 Series 1986 A Bond, the 1986 C Bond and the 1979 Bond shall be secured forthwith equally and ratably with each other by a second lien on the Net Revenues derived from the System, which lien shall be junior and subordinate to the lien on such Net Revenues in favor of the Holders of the 1963 Bonds and which lien shall be senior and prior to the lien on such Net Revenues in favor of the Holder of the Series 1986 B Bond. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the aforesaid Bonds and to make the payments into the Sinking Funds and the Reserve Accounts therein either existing or hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the aforesaid Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Series 1986 A Bond, the Series 1986 B Bond, and the Series 1986 C Bond, respectively, 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 Supplemental Resolution adopted prior to the issuance thereof:

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WILLIAMSON
WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 A

No. R-1 $_____ Date: _____, 1986

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF WILLIAMSON, a municipal corporation of the State of West Virginia in Mingo 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 West Virginia Water Development Authority or registered assigns (the "Authority") the sum of _____ ($_____), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor and until payment of such installment, and such interest shall be payable on the 1st day of October, and the 1st day of April in each year beginning October 1, 1986. The principal of this Bond is payable in any coin or currency which, on the respective dates of payment of principal, 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, through _____, Charleston, West Virginia, as Registrar and Paying Agent (the "Registrar"), or at such place otherwise approved by the Issuer, the Authority and the Registrar. The interest on this Bond is payable by check or draft 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 preceding the date of payment of such interest. So long as the Authority is the registered owner, this Bond shall not be subject to redemption prior to its stated date of maturity without the written consent of the Authority and the payment of interest, redemption premium, and any other amounts provided for in the Loan Agreement by and between the Authority and the Issuer.

This Bond is issued (i) to pay costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing combined waterworks and sewage treatment and collection facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. 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"), an Ordinance duly enacted by the Issuer on the ____ day of _____, 1986, and by resolutions supplemental thereto of the Issuer duly enacted, (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 Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of a second lien on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, monies in the Reserve Account created under the Ordinance (the "Series 1986 A Bond Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the monies in the Series 1986 A Bond Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which, along with other revenues of the System, shall be 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 required in any fiscal year for debt service on the Series 1986 A Bond and all other obligations secured by or payable from such revenues prior to or on a parity with this Bond or, if the Reserve Account for the Bond is funded (whether by proceeds of the Bond, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will become due on the Series 1986 A Bond in any fiscal year, and any reserve account for such prior or parity obligations is funded at least at the requirement therefor, equal to at least 110% of the amount required in any fiscal year for debt service on the Series 1986 A Bond and any such prior or parity obligations. The Issuer has entered into certain further covenants with the registered owner of the Series 1986 A Bond for the terms of which reference is made to the Ordinance. Remedies provided the registered owner of the Series 1986 A Bond is exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books kept for that purpose at the office of the Registrar by the Authority, 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 Authority or its attorney duly authorized in writing.

Subject to the registration requirements, 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 Costs of the Project, if necessary, described in the Ordinance or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Authority.

THIS BOND IS (i) ON A PARITY WITH RESPECT TO STATUTORY LIEN AND SOURCES OF AND SECURITY FOR PAYMENT TO THE WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 C, OF THE ISSUER, ISSUED CONTEMPORANEOUSLY HEREWITH AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 C BOND"), AND THE 1979 BOND, DESCRIBED IN THE 1979 ORDINANCE ENACTED FEBRUARY 23, 1979; (ii) JUNIOR AND SUBORDINATE TO THE WATERWORKS AND SEWER REVENUE BONDS OF THE CITY ISSUED IN 1963, AS TO THE STATUTORY LIEN AND SOURCE OF ANY SECURITY FOR PAYMENT; AND (iii) SENIOR TO THE WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 B, OF THE CITY, ISSUED CONTEMPORANEOUSLY HEREWITH, AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 B BOND"), AS TO THE STATUTORY LIEN AND SOURCE OF AND SECURITY FOR PAYMENT.

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 WILLIAMSON, WEST VIRGINIA, has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by the City Clerk and has caused this Bond to be dated _____, 1986.

CITY OF WILLIAMSON

[SEAL]

By_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

_____
as Bond Registrar

By_____
Its Authorized Officer

Dated: _____

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WILLIAMSON
WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 B

No. R-2 $_____

Date: _____, 1986

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF WILLIAMSON, a municipal corporation of the State of West Virginia in Mingo 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 West Virginia Water Development Authority or registered assigns (the "Authority") the sum of _____ ($_____), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference without interest.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part of any time, but only with the express written consent of, and upon the terms and conditions prescribed by, West Virginia Water Development Authority.

This Bond is issued (i) to pay costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing combined waterworks and sewage treatment and collection facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the States of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the ____ day of _____, 1986, and by resolutions supplemental thereto of the Issuer duly enacted, (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 Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of a third lien on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, monies in the Reserve Account created under the Ordinance (the "Series 1986 B Bond Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same except from said special fund provided from the Net Revenues, the monies in the Series 1986 B Bond Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which, along with other revenues of the System, shall be 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 required in any fiscal year for debt service on the Series 1986 B Bond and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1986 B Bond or, if the Series 1986 B Bond Reserve Account for the Bond is funded (whether by proceeds of the Bond, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will become due on the Series 1986 B Bond in any fiscal year, and any reserve account for such prior or parity obligations is funded at least at the requirement therefor, equal to at least 110% of the amount required in any fiscal year for debt service on the Series 1986 B Bond and any such prior or parity obligations. The Issuer has entered into certain further covenants with the registered owners of the Series 1986 B Bond for the terms of which reference is made to the Ordinance. Remedies provided the registered owner of the Series 1986 B Bond is exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books kept for that purpose at the office of the Registrar by the Authority, 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 Authority or its attorney duly authorized in writing.

Subject to the registration provisions, 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 Costs of the Project described in the Ordinance or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Authority.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 A AND SERIES 1986 C, OF THE ISSUER, ISSUED CONTEMPORANEOUSLY HEREWITH AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 A BOND" AND THE "SERIES 1986 C BOND"), THE 1979 BOND, DESCRIBED IN THE 1979 ORDINANCE, ENACTED FEBRUARY 23, 1979, AND THE 1963 BONDS, DESCRIBED IN THE 1963 ORDINANCE, ENACTED JUNE 6, 1963.

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 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 WILLIAMSON, WEST VIRGINIA, has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by the City Clerk and has caused this Bond to be dated _____, 1986.

CITY OF WILLIAMSON

[SEAL]

By_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

_____
as Bond Registrar

By_____
Its Authorized Officer

Dated: _____

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WILLIAMSON
WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 C

No. R-3 $_____

Date: _____, 1986

FOR VALUE RECEIVED, THE CITY OF WILLIAMSON, in the County of Mingo, State of West Virginia, a municipal corporation (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government") at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ ($_____), or such lessor amount as set forth in the Record of Advances, plus interest on the unpaid principal balance at the rate of five percent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only commencing on the 30th day following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four (24) months after the date hereof and $_____ covering principal and interest on said corresponding day of each month thereafter, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purposes of providing funds for financing costs of construction and acquisition of additions for the combined waterworks and sewerage system of the Borrower, is payable solely from the revenues to be derived from the operation of such combined waterworks and sewerage system after there have been first paid from such revenues the reasonable current costs of operation of the combined waterworks and sewerage system and the payments for the 1963 Bonds as described in the Ordinance authorizing this Bond. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision of limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at said office of the Registrar, as defined in the Ordinance, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance, and upon surrender and

cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including among others, Article 20 of Chapter 8 of the West Virginia Code (herein called the "Act"), and with an Ordinance of the City duly enacted.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmer and Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not consistent with the express provisions hereof.

THIS BOND IS (i) ON A PARITY WITH RESPECT TO STATUTORY LIEN AND SOURCES OF AND SECURITY FOR PAYMENT TO THE WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 A, OF THE ISSUER, ISSUED CONTEMPORANEOUSLY HEREWITH AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 A BOND"), AND THE 1979 BOND, DESCRIBED IN THE 1979 ORDINANCE ENACTED FEBRUARY 23, 1979; (ii) JUNIOR AND SUBORDINATE TO THE WATERWORKS AND SEWER REVENUE BONDS OF THE CITY ISSUED IN 1963, AS TO THE STATUTORY LIEN AND SOURCE OF ANY SECURITY FOR PAYMENT; AND (iii) SENIOR TO THE WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 B, OF THE CITY, ISSUED CONTEMPORANEOUSLY HEREWITH, AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 B BOND"), AS TO THE STATUTORY LIEN AND SOURCE OF ANY SECURITY FOR PAYMENT.

THE CITY OF WILLIAMSON
WEST VIRGINIA

[CORPORATE SEAL]

By _____

Its _____

ATTEST:

City Building, _____
Williamson, West Virginia 25661

By _____

Its _____

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	
		TOTAL $	

ASSIGNMENT

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

(No writing on this Bond except by the Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar

Section 3.10. Sale of Original Bonds; Execution of Loan Agreement with Authority. The Original Bonds, Nos. R-1 and R-2, shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement and the Original Bond No. R-3 shall be sold to the Government.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer may issue and sell its Notes in the aggregate principal amount of not to exceed $8,000,000. The Notes may be in the form of grant anticipation notes or as evidence of a line of credit from a commercial bank, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or by Supplemental Resolution. In the event such Notes are evidence of a line of credit, then such Notes may be purchased in installments corresponding to draws on the line of credit, all as provided in the Supplemental Resolution.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, with such terms and secured in the manner set forth in the Indenture (which Indenture is substantially the form to be executed and delivered by the Issuer as attached hereto as "Exhibit A" and made a part hereof).

Section 4.03. Notes Are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the respective sources described in the Granting Clauses and Article III of the Indenture. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture.

Section 4.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $8,000,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be

authorized and shall have such terms as shall be set forth in a resolution supplemental hereto, and shall be secured by the proceeds of the EPA Grant and such security as pledged in the Indenture as security for the Notes. Any refunding notes shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank:

1. Revenue Fund (same as that created under the 1954 Ordinance, and continued under the 1963 Ordinance and the 1979 Ordinance);

2. Operation and Maintenance Fund;

3. Renewal and Replacement Fund; and

4. Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with the Commission. The following special funds or accounts are hereby established with the Commission:

1. Series 1986 A Bond Sinking Fund;

a. Within the Series 1986 A Bond Sinking Fund, the Series 1986 A Bond Reserve Account.

2. Series 1986 B Bond Sinking Fund;

a. Within the Series 1986 B Bond Sinking Fund, the Series 1986 B Bond Reserve Account.

3. Series 1986 C Bond Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this 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 Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay Operating Expenses of the System for the previous month.

2. Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next transfer to the 1963 Sinking Fund and the 1963 Reserve Account established by the 1963 Ordinance the amounts required to be paid into such funds and accounts by the 1963 Ordinance, except that instead of semiannual payments required by the 1963 Ordinance into such funds and accounts, monthly payments shall be made in such sums as to accrue the required semiannual amounts.

3. The Issuer shall next, each month, pay from the Revenue Fund to the Government, as provided in the 1979 Bond and the Series 1986 C Bond, the installment payment required by the terms of the Bonds, provided, however, that if insufficient funds are available to pay the installments set forth herein, the interest portion of such installments and the payment set forth in paragraph 4 shall be made simultaneously and without preference to one another before any principal portion of such installments are made.

4. The Issuer shall, simultaneously and without preference to the payment required under paragraph 3, on the first day of each month, commencing seven months prior to the first date of payment of interest on the Series 1986 A Bond for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1986 A Bond Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1986 A Bond on the next ensuing semiannual interest payment date, less any interest earnings transferred from the Series 1986 A Bond Reserve Account and investment earnings on sums previously deposited in the Series 1986 A Bond Sinking Fund for the purpose of making interest payments on the Series 1986 A Bond; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1986 A Bond Sinking Fund and the next semiannual interest payment date is less than seven months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

5. The Issuer shall simultaneously and without preference to the payment required under paragraphs 3 and 4, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1986 A Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bond Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1986 A Bond on the next ensuing principal payment date, less any interest earnings transferred from the Series 1986 A Bond Reserve Account and investment earnings on sums previously deposited in the Series 1986 A Bond Sinking Fund for the purpose of making principal payments on the Series 1986 A Bond; provided, that in the event the period to elapse between the date of such initial deposit in the Series 1986 A Bond Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

6. From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to 6% of the Gross Revenues each month, exclusive of any payments for account of the 1979 Reserve Account, the Series 1986 A Reserve Account and the Series 1986 C Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiency in the aforesaid Reserve Accounts [except to the extent such deficiency exists because the required payments into such account or accounts have not, as of the date of determination of a deficiency, funded such account to the maximum extent required by Subsections 5.03(A)(7), (8), and (9)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

7. The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the 1979 Bond Reserve Account established under the 1979 Ordinance, an amount equal to 1/120th of the 1979 Bond Reserve Requirement; provided, that no further payments shall be made into the 1979 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 1979 Bond Reserve Requirement.

8. The Issuer shall, simultaneously and without preference to the payment required under paragraph 7, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 A Bond Reserve Account, an amount equal to 1/120th of the Series 1986 A Bond Reserve Requirement; provided, that no further payments shall be made into the Series 1986 A 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 1986 A Bond Reserve Requirement.

9. The Issuer shall, simultaneously and without preference to the payment required under paragraphs 7 and 8, on the first day of each month, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 C Bond Reserve Account, an amount equal to 1/120th of the Series 1986 C Bond Reserve Requirement; provided, that no further payments shall be made into the Series 1986 C 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 1986 C Bond Reserve Requirement.

10. From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1986 B Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bond Sinking Fund a sum

equal to 1/12th of the amount of principal which will mature and become due on said Series 1986 B Bond on the next ensuing principal payment date, less any interest earnings transferred from the Series 1986 B Bond Reserve Account and investment earnings on sums previously deposited in the Series 1986 B Bond Sinking Fund for the purpose of making principal payments on the Series 1986 B Bond; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1986 B Bond Sinking Fund and the next principal payment date is less than thirteen months, then such monthly payments shall be increased proportionately to provide, one month prior to the next principal payment date, the required amount of principal coming due on such date.

11. The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Bond, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1986 B Bond Reserve Account an amount equal to 1/120th of the Series 1986 B Bond Reserve Requirement; provided, that no further payments shall be made into the Series 1986 B 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 1986 B Bond Reserve Requirement.

Moneys in the 1963 Bond Sinking Fund, the Series 1986 A Bond Sinking Fund and the Series 1986 B Bond Sinking Fund shall be used only for the purposes of paying principal of and interest on the respective series of Bonds as the same shall become due. Moneys in the 1963 Bond Reserve Account, the 1979 Bond Reserve Account, the Series 1986 A Bond Reserve Account, the Series 1986 B Bond Reserve Account, and the Series 1986 C Bond Reserve Account shall be used only for the purpose of paying principal of and interest on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund, if established, are insufficient therefor, and to provide funds for transfer to the Series 1986 A Sinking Fund and to the Series 1986 B Sinking Fund to make up for any deficiency in the monthly deposits to such Funds provided for above.

All investment earnings on moneys in the aforementioned Reserve Accounts shall be transferred, not less than once each year, to the respective Sinking Fund and applied in full to the next ensuing principal payment due on the respective series of Bonds.

Any withdrawals from the 1963 Bond Reserve Account which result in a reduction in the balance of the 1963 Bond Reserve Account to below the 1963 Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the 1963 Bond Sinking Fund have been made in full.

Any withdrawals from the 1979 Bond Reserve Account which result in a reduction in the balance of the 1979 Bond Reserve Account to below the 1979 Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the 1963 Bond Sinking Fund, the Series 1986 A Bond Sinking Fund, and the Renewal and Replacement Fund have been made in full.

Any withdrawals from the Series 1986 A Bond Reserve Account which result in a reduction in the balance of the Series 1986 A Bond Reserve Account to below the Series 1986 A Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the 1963 Bond Sinking Fund, the Series 1986 A Bond Sinking Fund, and the Renewal and Replacement Fund have been made in full.

Any withdrawals from the Series 1986 C Bond Reserve Account which result in a reduction in the balance of the Series 1986 C Bond Reserve Account to below the Series 1986 C Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the 1963 Bond Sinking Fund, the Series 1986 A Bond Sinking Fund, and the Renewal and Replacement Fund have been made in full.

Any withdrawals from the Series 1986 B Bond Reserve Account which result in a reduction in the balance of the Series 1986 B Bond Reserve Account to below the Series 1986 B Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the 1963 Bond Sinking Fund, the 1979 Reserve Account, the Series 1986 A Bond Sinking Fund, the Series 1986 B Bond Sinking Fund and the Renewal and Replacement Fund have been made in full.

As and when additional Bonds ranking on a parity with the Series 1986 B Bond are issued, provision shall be made for additional payments into the Series B Sinking Fund sufficient to pay any interest on such additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series B Reserve Account in an amount equal to the maximum provided and required to be paid into the Series B Sinking Fund in any Fiscal Year for account of the Series 1986 B Bond, including such additional Series 1986 B Bonds which by their terms are payable from such Sinking Fund. In the event that the Series 1986 B Bond is no longer outstanding, the funding requirements set forth in this paragraph should instead be applied, without preference, to the Reserve Accounts and Sinking Fund established in this Ordinance for the Series 1986 A Bond and the Series 1986 C Bond, and to the Reserve Account established for the 1979 Bond in the 1979 Ordinance.

The Issuer shall not be required to make any further payments into the 1963 Sinking Fund, the Series 1986 A Bond Sinking Fund or the Series 1986 B Bond Sinking Fund or into the Reserve Accounts therein or the 1979 and the Series 1986 C Bond Reserve Accounts when the aggregate amount of funds in both said Sinking Funds and said Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Ordinance, the 1963 Ordinance or the 1979 Ordinance.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the time provided herein.

The payments into the Sinking Funds 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 Reserve Accounts shall be invested and reinvested by the Commission in accordance with Article VIII hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective 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 Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund during the following month, or such other period as required by law, such excess shall be considered as Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund, as defined in the Indenture.

C. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Depository Bank's charges and, if applicable, the Paying Agent fees then due.

D. 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.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

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

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund.

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. The amount of the proceeds which together with the earnings thereon, shall be at least sufficient to pay interest, if any, on the applicable Series of Bonds for the period specified in the Supplemental Resolution shall be deposited in the appropriate Sinking Fund; provided, that such period may not extend beyond the date which is six (6) months after the estimated date of completion of construction of the Project.

B. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank (which may also be the Trustee) in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

C. The Depository Bank shall act as a fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund. Moneys in the Bond Construction Trust 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 6.02. Disbursements from the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance of the Bonds which shall be made upon request of the Issuer, subject to the approval, if necessary, of the Government, shall be made only after submission to the Depository Bank of 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 Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the 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 Bond Construction Trust Fund to the Reserve Accounts established hereunder for the Bonds, and, if fully funded, to the Renewal and Replacement Account.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. 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 Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VII. 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 7.02. Bonds and Notes Not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes 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 Holder or Holders of any Bonds or Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the 1979 Bond, the Series 1986 A Bond and

the Series 1986 C Bond issued hereunder shall be secured forthwith equally and ratably by a second lien on the Net Revenues derived from the operation of the System, junior and subordinate to the lien on Net Revenues in favor of Holders of the 1963 Bonds; and payment of the debt service of the Series 1986 B Bond issued hereunder shall be secured by a third lien on said Net Revenues, to the extent necessary to make the payments required under Section 5.03 of this Ordinance. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Ordinance are hereby irrevocably pledged, in the manner provided in therein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Ordinance.

Section 7.04. Initial Schedule of Rates and Charges; Rules. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the Ordinance of the Issuer enacted March 27, 1986.

Section 7.05. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, without the consent of the Government and the Authority, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, outstanding, or to effectively defease this Ordinance in accordance with Section 10.01 hereof and, if not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, in the event the Authority or the Government 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 Bonds about to mature. Any balance remaining after the payment of all 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. With respect to the Notes, such proceeds in an amount sufficient to pay in full the Notes shall be remitted to the Trustee for deposit in the Notes Debt Service Fund, to apply to the payment of the Notes, prior to maturity if allowable under a Supplemental Resolution.

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 be remitted by the Issuer to the Commission for deposit in the Sinking Funds and with the written consent of the Government and the Authority, 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. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance. No sale, lease or other disposition of the properties of the System shall be made by the Issuer 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 the Bonds and/or Notes then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds and/or Notes then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds and/or Notes for 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. The Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Ordinance; and, so long as any of the Bonds are outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1986 B Bond only may be issued as provided for in Section 7.07 hereof. Notwithstanding the foregoing, in the event that the Series 1986 B Bond is no longer outstanding, then additional Bonds on a parity with the Series 1986 A Bond and the Series 1986 C Bond may be issued as provided for in Section 7.07 hereof. 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 respect, to the 1963 Bonds, the 1979 Bond, the Series 1986 A Bond, the Series 1986 B

Bond, unless no longer outstanding, and the Series 1986 C Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current at the date of issuance of the new 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 revenue 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 7.07. Parity Bonds.

A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No Parity Bonds shall be issued which shall be payable out of the revenues of the System prior to or on a parity with the 1979 Bond, the Series 1986 A Bond or the Series 1986 C Bond. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1986 B Bond. Notwithstanding the foregoing, in the event that the Series 1986 B Bond is no longer outstanding Parity Bonds may be issued which shall be payable out of the revenues of the System on a parity with the Series 1986 A Bond and the Series 1986 C Bond.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extension, 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 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 adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 120% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(i) The Bonds and all other bonds then outstanding;

(ii) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years", as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the 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 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. All such Bonds, regardless of the time or times of their issuance, shall rank in accordance with their stated lien position with respect to the revenues of the System and their source of and security for payment from said revenues. 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 Supplement 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 (i) the 1963 Bonds, the 1979 Bond, the Series 1986 A Bond, the Series 1986 B Bond, and the Series 1986 C Bond on such revenues; or (ii) the 1963 Bonds, the 1979 Bond, the Series 1986 A Bond and the Series 1986 C Bond on such revenues, in the event the Series 1986 B Bond is no longer outstanding. 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 either the 1979 Bond, the Series 1986 A Bond, the Series 1986 B Bond, and the Series 1986 C Bond.

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.

B. Notwithstanding the foregoing or any provision of Section 7.06 to the contrary, completion bonds on a parity with the Series 1986 A Bond and the Series 1986 C Bond may be issued solely for the purpose of completing the Project as described in the application to the Authority as of the date of the Loan Agreement, without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority and the Government.

Section 7.08. 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 any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Ordinance or the Trustee 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, the Trustee, the Authority and the Government, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, 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 and the Indenture with respect to said Bonds or Notes, as the case may be, and the status of all said funds and accounts.

C. The amount of any prior bonds, 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 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 or Notes, as the case may be, and shall file said report with the Trustee, the Authority and the Government, or any other original purchaser of the Bonds.

Section 7.09. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will 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 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. 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. The Issuer has taken the necessary actions with respect to the imposition of rates at such times and with such provisions with respect to interest rate and maturity of the Bonds. 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 (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds; provided, that in the event that amounts equal to or in excess of the reserve requirements are on deposit in the Reserve Accounts or reserve accounts for bonds prior to or on a parity with the Bonds are funded at least at the requirements therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds.

Section 7.10. 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 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 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 the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee, the Authority, and the Government and to any Holder of any Bonds or Notes, as the case may be, 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 the Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

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 Ordinance and the Loan Agreement.

Section 7.11. 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 7.12. 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 enforcements and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other 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 and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

Section 7.13. No Free Service. 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 7.14. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes 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 during construction of the Project in the full insurable value thereof.

2. PUBLIC LIABILITY INSURANCE, with limits of not less than $500,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $100,000 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 amount 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.

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.

C. Fidelity bonds will be provided as to every officer and employee of the City having custody of the Renewal and Replacement Fund and the Revenue Funds or of any revenues or 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, and initially in the amount of $125,000 upon the Clerk; provided, however, that no bond shall be required insofar as custody of the Bond Construction Trust Fund is concerned.

Section 7.15. 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 days 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 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. Statutory Mortgage Lien. For the further protection of the Holder of the Series 1986 A Bond and the Series 1986 C Bond, 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, subject only to the statutory mortgage

lien in favor of the 1963 Bonds, and superior to that granted and created hereby in favor of the Holder of the Series 1986 B Bond.

ARTICLE VIII

INVESTMENT OF FUNDS; NON-ARBITRAGE

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

Except as provided in the Indenture, 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. The Commission, the Trustee, 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 Trustee 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.

Section 8.02. Restrictions as to Arbitrage Bonds. The Issuer hereby covenants, and hereby so instructs the Commission and the Trustee that they shall not permit at any time or times any of the proceeds of the Bonds or Notes or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond or Note to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and an Authorized Officer shall deliver his certificate, based upon this covenant, with regard thereto to the purchasers of the Original Bonds or the Original Notes Purchaser.

ARTICLE IX

DEFAULT AND REMEDIES

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

1. If default occurs in the due and punctual payment of the principal of or interest on any 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, any supplemental resolution, 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 Authority, the Government or any Holder of the 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.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond, as the case may be, 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 Ordinance 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 Notes or Bonds, as the case may be, (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 Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Ordinance with respect to the Notes or Bonds, or the rights of such Registered Owners, provided, however, that no remedy herein stated may be exercised by Noteholders in a manner which adversely affects any remedy available to Bondholders, and provided further, that all rights and remedies of Holders of the Series 1986 B Bonds shall be subject and subordinate to those of the Holders of the 1979 Bond, the Series 1986 A Bond and the Series 1986 C Bond, all of which shall be subject and subordinate to the rights and remedies of the Holders of the 1963 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 Ordinance and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment or a receiver to administer the

System on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and any prior 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 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 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, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

DEFEASANCE

Section 10.01. Defeasance of Series 1986 A Bond. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 1986 A Bond 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 Series 1986 A Bond 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 Registered Owner of the Series 1986 A Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

The Series 1986 A Bond for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1986 A Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 1986 A Bond 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 1986 A Bond on and prior to the maturity date thereof, or to redeem the Series 1986 A Bond in accordance with the provisions set forth therein. 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 1986 A 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 Bonds on and prior to 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.

Section 10.02. Defeasance of Series 1986 B Bond. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holder of the Series 1986 B Bond, the principal to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then with respect to the Series 1986 B Bond 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 Registered Owners of the Series 1986 B Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

The Series 1986 B Bond for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments on such Series 1986 B Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 1986 B Bond 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 on said Series 1986 B Bond on and prior to the maturity date thereof, or to redeem the Series 1986 B Bond in accordance with the provisions set forth therein. 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 1986 B 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 Bonds on and prior to 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.

Section 10.03. Defeasance of Series 1986 C Bond. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 1986 C Bond 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 Series 1986 C Bond 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 Registered Owner of the Series 1986 C Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

The Series 1986 C Bond for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or

earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1986 C Bond shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 1986 C Bond 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 1986 C Bond on and prior to the maturity date thereof, or to redeem the Series 1986 C Bond in accordance with the provisions set forth therein. 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 1986 C 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 Bonds on and prior to 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.

Section 10.04. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or these shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Ordinance, the Indenture and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Ordinance. No material modification or amendment of this Ordinance, or of any ordinance or resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66 2/3% or more in principal amount of the Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes 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 or Notes respectively, required for consent to the above-permitted amendments or modifications.

Section 11.02. Ordinance Constitutes Contract. The provisions of the Ordinance shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, 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 11.03. Refunding of Bonds Permitted. The City reserves the right to refund any of the Bonds, subject to applicable provisions of West Virginia law, when in its judgment it would be to the best interests of the City and of its inhabitants so to do. Upon payment of any of the Bonds outstanding, prior to or simultaneously with the issuance of any refunding bonds or of an issue of bonds for the purposes of refunding the Bonds then outstanding and providing funds for additions, extensions and improvements to the System, or upon provision for such payment by deposit irrevocably in trust with the Commission of a sum equal to the principal amount of the Bonds outstanding, plus an amount equal to all interest accrued and to accrue to the date of payment or redemption of such Bonds, and plus an amount sufficient to pay all applicable redemption premiums on the earliest practical redemption date, the security, pledge and any lien applicable to the affected Bonds then outstanding shall immediately cease. The sum so deposited in trust shall be used solely to pay at the earliest practical redemption date the principal amount of the affected Bonds and all interest thereon to the date of redemption and the applicable redemption premiums, or to purchase the Bonds at not to exceed the par value of the Bonds plus interest accrued to date of purchase. The moneys so deposited may be invested by the Commission in direct obligations of the United States of America or obligations the payment of the principal of and interest on which is guaranteed by the United States of America, having maturities not later than the dates on which the moneys shall be required to be used for such redemption.

Section 11.04. 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, Indenture, the Bonds or the Notes.

Section 11.05. Headings, Etc. The headings and catchlines of the articles, section 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 11.06. Amendments to Maintain Tax Exemption. The Issuer hereby covenants to make any amendment or supplements to this Ordinance and to the Indenture authorized hereby to enable the Notes or

Bonds to be issued in such form as to render the interest thereon exempt from federal income taxation, without further consent of the Holders of the Bonds or the Notes.

Section 11.07. 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. Notwithstanding the foregoing, the 1963 Ordinance and the 1979 Ordinance are to remain in full force and effect.

Section 11.08. 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, Clerk and members of the Governing Body and the Williamson Utility Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.09. Effective Time. This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 11.10. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, determined by the Issuer to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in THE WILLIAMSON DAILY NEWS, a newspaper published and of general circulation in the City of Williamson, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Notes and Bonds, and that any person interested may appear before the Common Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Issuer for review by interested parties during the office hours of the Issuer.

At such hearing, all objections and suggestions shall be heard and the City Council shall take such action as it shall deem proper in the premises.

Section 11.11. Williamson Utility Board. The Williamson Utility Board heretofore established by the City to operate, control, supervise and maintain the System shall be continued by the City so long as the Bonds issued hereunder are outstanding and the powers and duties of the Williamson Utility Board shall not be substantially curtailed so long as such Bonds are outstanding. Original Bond Nos. R-1 and R-2 will be sold to the Authority and Original Bond No. R-3 will be sold to the Government with the understanding that the System will be controlled, supervised, operated and maintained by the Board on a non-political and businesslike basis so long as such Bonds are outstanding.

Passed on First Reading	April 10, 1986
Passed on Second Reading	April 24, 1986
Effective following public hearing held on	May 8, 1986

[SEAL]

Mayor

ATTEST:

By

City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Williamson following a public hearing thereon on the 8th day of May, 1986.

[SEAL]

City Clerk

EXHIBIT A

CITY OF WILLIAMSON

to

_____, as TRUSTEE

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of _____, 1986, by and between the CITY OF WILLIAMSON, a municipal corporation and political subdivision of the State of West Virginia, herein called the "Issuer," and _____, _____, West Virginia, a national banking association authorized to accept and execute trusts and covenants of the character herein set forth, herein called the "Trustee."

WHEREAS, capitalized words and phrases used in these Preambles and the Granting Clauses below and not otherwise defined in these Preambles or said Granting Clauses shall have the respective meanings given them in the Ordinance and by Section 1.01 of this Indenture;

WHEREAS, by the Ordinance, the Council of the Issuer duly authorized construction and acquisition of the Project at an estimated cost of $_____, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed in the office of the City Clerk of the Issuer;

WHEREAS, all necessary licenses, permits and/or approvals of governmental agencies and departments have been obtained for the construction and acquisition of the Project and operation of the System to the extent obtainable, and, to the extent not yet obtainable, no difficulty is expected by the Issuer or the Consulting Engineers in obtaining such licenses, permits and/or approvals;

WHEREAS, the Issuer has received or contemplates receiving certain Grant Receipts for the construction and acquisition of the Project, including the proceeds of the EPA Grant expected to be received prior to maturity of the Notes in the approximate amount of $_____ and the Other Grants expected to be received prior to maturity of the Notes in the approximate amount of $_____, and the Issuer has entered into an assistance agreement with the EPA, pursuant to which the EPA will reimburse the Issuer for approximately _____% of the Costs of the Project incurred by the Issuer and eligible for such _____% reimbursement;

WHEREAS, it is deemed necessary for the Issuer to issue its Original Bonds in the aggregate principal amount of not more than $_____, to finance a portion of the Ineligible Costs;

WHEREAS, it is deemed necessary for the Issuer to issue its Notes, in the aggregate principal amount of $_____ to finance Eligible Costs pending receipt of the Grant Receipts;

WHEREAS, the Issuer has determined, as set forth in the Ordinance, that the Issuer shall issue the Notes and shall enter into this Indenture to secure the Notes in the manner set forth herein;

WHEREAS, the Notes originally authorized hereby and the Registrar's certificate of authentication and registration to be endorsed thereon are all to be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture or the Ordinance or deemed necessary by the Trustee and the Issuer; and

WHEREAS, all things necessary to make the Notes, when authenticated and registered by the Registrar and issued as in this Indenture provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge and assignment of those funds pledged to the payment of the principal of and interest on the Notes and a valid pledge and assignment of the rights of the Issuer in the Grant Receipts and other moneys, including investment income and unexpended proceeds, held in the funds and accounts established by this Indenture, the net proceeds of any refunding notes or other obligations issued to pay all or a portion of the principal of or interest on the Notes and the Surplus Revenues have been done and performed; and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Notes, subject to the terms thereof, have in all respects been duly authorized and will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected;

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

The Issuer, in consideration of the premises and the acceptance by the Trustee of the Trust Estates hereby created, of the purchase and acceptance of the Notes by the Original Notes Purchaser and the Registered Owners thereof and of other good and lawful consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Notes has executed this Indenture and does hereby grant, bargain, sell, convey, pledge and assign the following to, and does hereby confirm and grant a security interest in the following to _____, _____, West Virginia, as Trustee, and its successors in trust and assigns forever, all and singular the property hereinafter described, to wit:

FIRST GRANTING CLAUSE

All right, title and interest of the Issuer in and to the Grant Receipts and other moneys, including investment income and unexpended Notes proceeds, held in the Notes Capitalized Interest Account, the Notes Construction Trust Fund and the Notes Debt Service Fund established by this Indenture.

SECOND GRANTING CLAUSE

The Surplus Revenues, if any.

THIRD GRANTING CLAUSE

All right, title and interest of the Issuer in and to the net proceeds of any refunding notes or other obligations issued for the purpose of paying all or a portion of the principal of or interest on the Notes.

FOURTH GRANTING CLAUSE

All moneys and securities and all other rights of every kind and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security for the Notes hereunder to the Trustee by the Issuer or by anyone in its behalf, or with its written consent.

SUBJECT TO THE TERMS HEREOF, TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, and the rights and privileges hereby conveyed, pledged and assigned by the Issuer, or intended so to be, unto the Trustee and its successors and assigns forever, in trust, nevertheless, for the equal and proportionate benefit, security and protection of each and every Holder of the Notes, issued under and secured by this Indenture, without preference, priority or distinction as to the lien, benefit and protection hereof of one of the Notes over or from the others, for any reason whatsoever except as herein otherwise expressly provided, so that each and all of the Notes (except as so expressly provided), shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby;

PROVIDED, HOWEVER, and these presents are upon the express condition, that, if the Issuer or its successors or assigns shall well and truly pay or cause to be paid the principal of and interest on the Notes, according to the provisions set forth in the Notes and each of them or shall provide for the payment or redemption of such Notes by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment thereof when and as authorized by the provisions hereof, including Section 8.01, and shall also pay or cause to be paid all other sums payable with respect to the Notes hereunder by the Issuer, then these presents and the Trust Estate and rights hereby granted shall cease, determine and become void; otherwise, the provisions of this Indenture shall be and remain in full force and effect.

IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that the Notes issued hereunder are to be issued, authenticated, registered and delivered, and that the Trust Estate is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Issuer, for itself and its successors and assigns, does hereby covenant and agree to and with the Trustee and its respective successors and assigns in said

trust, for the benefit of the Holders of the Notes or any of them, as is set forth in this Indenture.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized terms used herein and not defined below shall have the meanings set forth in Section 1.04 of the Ordinance. In addition, the following terms shall have the following meanings in this Indenture, unless the context expressly requires otherwise:

"Anticipated EPA Grant Receipts" means at any time, the amount of EPA Grant Receipts (as stated in a certificate of the Consulting Engineers) expected to be received after the date of such certificate and prior to the 30th day next preceding the maturity date of the Notes.

"Event of Default" means any occurrence or event specified in Section 6.01 hereof.

"Fiduciaries" means the Trustee, the Registrar, and the Paying Agent all as hereinafter defined, as required by the context.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; 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 of the Bond and Notes Ordinance) or any Tap Fees, and for the furnishing by the Issuer of miscellaneous service.

"Ineligible Costs" means Costs of the Project which are not reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal to the aggregate Costs of the Project, less the amount of the EPA Grant.

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

"Notes Capitalized Interest Account" means the Notes Capitalized Interest Account established in the Notes Debt Service Fund by Section 4.01 hereof.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund established by Section 4.01 hereof.

"Notes Cost of Issuance Account" means the Notes Cost of Issuance Account established in the Notes Construction Trust Fund by Section 4.01 hereof.

"Notes Debt Service Fund" means the Notes Debt Service 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 the Authority, the Government, fiscal agents, the Registrar, Paying Agent and the Trustee, 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 or Notes, 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.

"Paying Agent" or "Notes Paying Agent" means, with respect to the Notes, _____, a _____ banking corporation, with principal office in _____, _____, as paying agent for the Notes,. and any successors thereto or any additional paying agent appointed pursuant to Section 7.12.

"Registrar" or "Notes Registrar" means, with respect to the Notes, _____, a _____ banking corporation, with principal office in _____, _____, as registrar for the original registration and the transfer of registration of the Notes, or any successor thereto pursuant to Section 7.12 hereof.

"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 Renewal and Replacement Fund and the Reserve Accounts, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project, and any other obligations outstanding as of the date of issuance of the Bonds authorized therein.

"Trust Estate" or "Trust Estates" means the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

"Trustee" means _____, a _____ banking corporation, with principal offices in _____, West Virginia, its successors and assigns.

Additional terms and phrases are defined in this Indenture as they are used, or are defined in the Ordinance of the Issuer enacted _____ ____, 1986. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine, feminine or neuter gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

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

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

ARTICLE II

THE NOTES

Section 2.01. Authorization and Terms of Notes. There shall be originally issued hereby the Notes of the Issuer. The Notes shall be designated "Waterworks and Sewerage System Grant Anticipation Notes, Series 1986". The Notes shall be in the aggregate principal amount of $_____; shall be dated _____ __, 198_; shall bear interest from the interest payment date next preceding the date of registration (unless registered as of an interest payment date, in which event from the date of registration or unless registered prior to _____1, 198_, in which event from _____1, 198_) at the rate of _____% per annum, payable from the funds provided therefor in accordance with Article IV hereof, semiannually on _____1 and _____1 of each year, commencing _____ 1, 198_, for the Notes upon original issuance; shall mature on _____; and shall be subject to redemption prior to maturity in whole but not in part, at any time on or after _____, at a redemption price equal to the principal amount thereto plus accrued interest to the date of redemption, without premium.

Notice of any redemption of the Notes shall be given by the Registrar by certified or registered mail to all Registered Owners of the Notes to be redeemed at the addresses shown on registry books maintained by the Registrar, not less than 15 days prior to the date fixed for redemption, stating the redemption price and the place or places where payment of the redemption price will be made.

Interest on the Notes shall be payable by check or draft to be mailed by the Paying Agent to the Holder thereof at the address shown on the registry books maintained by the Registrar as of the 15th day of the month next preceding such interest payment date. Principal of the Notes shall be payable upon surrender of such Notes at the principal office of the Paying Agent in any coin or currency which, on the date of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America.

The Notes shall be issued in fully registered form, number from R-1 upward in denominations of $5,000 or any integral multiples thereof.

Section 2.02. Execution of Notes. The Notes shall be executed in the name of the Issuer by the manual or facsimile signature of the Mayor, and the seal of the Issuer shall be affixed thereto, or a facsimile of such seal imprinted thereon, and attested by the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Notes shall cease to be such officer before the Notes so signed and sealed shall have been actually sold and delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. Any Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Notes shall hold the proper office although at the date of such Notes, or at the date or registration thereof, such person may not have held such office or may not have been so authorized.

Section 2.03. Authentication and Registration. No Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication and registration on such Note, substantially in the form set forth in Exhibit A, attached hereto and incorporated herein by reference as a part hereof, shall have been manually executed by the Registrar. Any such executed certificate of the Registrar upon any such Note shall be conclusive evidence that such Note has been authenticated, registered and delivered under this Indenture and that the Holder thereof is entitled to the benefits hereof. The Registrar's certificate of authentication and registration on any Note shall be deemed to have been executed by it 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 Notes issued hereunder.

Section 2.04. Form of Notes. The Notes originally issued under this Indenture shall be substantially in the form set forth in Exhibit A, attached hereto and incorporated herein by reference as a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture or the Ordinance or deemed necessary by the Trustee and the Issuer.

Section 2.05. Delivery of Notes. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Notes originally authorized hereby to the Registrar, for authentication and forwarding to the Trustee and, upon receipt of the documents set forth below, the Trustee shall deliver them to the Original Notes Purchaser as directed by the Issuer and as hereinafter in this Section 2.05 provided.

Prior to the delivery by the Trustee of any of the Notes, there shall be filed with the Trustee:

(A) A copy, duly certified by the Clerk, of the Ordinance authorizing the execution and delivery of this Indenture and the issuance and sale of the Notes;

(B) An original executed counterpart of this Indenture;

(C) Copies, duly certified by the Clerk, of the Grant Agreements;

(D) A signed opinion of nationally recognized bond counsel regarding the validity of the Notes and this Indenture;

(E) A request and authorization to the Registrar on behalf of the Issuer, signed by the Authorized Officer, to cause the Notes to be authenticated by the Registrar and delivered to the Original Notes Purchaser upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization plus interest accrued thereon to the date of delivery, the proceeds of which payment shall be paid over to the Trustee and deposited to the credit of the funds and accounts specified in Article IV hereof;

(F) A list of the names in which the Notes are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require; and

(G) Such other documents, agreements or other materials as may be required by the Trustee, including, but not limited to, evidence that the Bonds have been delivered and payment received therefor.

Section 2.06. Negotiability, Transfer and Registration. The Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, but each of such Notes may only be transferred by transfer of the registration thereof as hereinafter provided. Each Note shall be transferable without service charge, except to the Issuer, upon the books required to be kept pursuant to Section 2.08 hereof, by the Holder thereof, in person or by his attorney duly authorized in writing, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. The Notes shall be exchangeable for a Note or Notes of authorized denominations also at the principal office of the Registrar.

For every exchange or transfer of Notes, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, but the Issuer shall pay any service charge in connection with transfer. No transfer or exchange may be made of Notes which have been called for redemption or during the period beginning 15 days next preceding an interest payment date and ending on the day next preceding such interest payment date.

Section 2.07. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar shall authenticate and deliver, a new Note in exchange and substitution for such mutilated, destroyed, stolen or lost Note upon surrender and cancellation of such mutilated Note or in lieu of and substitution for

the Note destroyed, stolen or lost and upon the Holder's furnishing the Issuer satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer or the Registrar may incur. All Notes so surrendered shall be submitted to and cancelled by the Registrar and held for the account of the Issuer. If such Note shall have matured or be about to mature, instead of issuing a substitute Note the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender therefor.

Section 2.08. Registrar. The Issuer will keep or cause to be kept at the principal office of the Registrar, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register all Notes initially issued pursuant hereto and register or cause to be registered, on such books, the transfer or exchange of Notes as hereinbefore provided.

The Registrar shall accept a Note for transfer of registration only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settler and beneficiaries of each trust, and the federal employer identification number and date of each trust and the name of the trustee of each trust.

ARTICLE III

SECURITY FOR AND COVENANTS REGARDING THE NOTES

Section 3.01. Payment of the Notes. Subject to the restrictions and limitations on the sources of payment hereinafter set forth, the Issuer covenants that it will promptly pay, or cause to be paid, the principal of and interest on the Notes issued under this Indenture at the place, on the dates and in the manner provided herein and in the Notes according to the true intent and meaning thereto. The principal of and interest on the Notes shall be payable solely from the sources set forth in the granting clauses hereof. The Notes are special obligations of the Issuer, payable solely from said sources described above, and do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged, for the payment of the Notes. Neither the Trustee nor the Holders of the Notes shall ever have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except the Grant Receipts and other funds pledged therefor by this Indenture.

Notwithstanding anything in this Indenture to the contrary, the Issuer shall not be required to advance any money derived from any source of income other than the Grant Receipts and other funds pledged by this Indenture for the payment of the principal of or interest on the Notes or for the performance of any of its duties under this Indenture. The Issuer may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Issuer for such purpose without incurring indebtedness.

Section 3.02. Restrictions on Other Debt. The Issuer hereby covenants that, so long as any of the Notes originally issued hereunder are Outstanding, it will not issue any bonds, notes or other evidences of indebtedness with a lien on or otherwise payable from any source of payment pledged for such Notes prior to or on a parity with the lien on behalf of such Notes, except that, Parity Bonds may be issued pursuant to, and subject to the conditions set forth in Section 7.07 of the Ordinance.

Section 3.03. Particular Covenants. In order to secure the payment of the Notes, the Issuer hereby particularly covenants and agrees that the Issuer, if and so long as any of the Notes are Outstanding:

(A) Will proceed to complete with all practicable dispatch the construction and acquisition of the Project and will maintain, or require all contractors for the Project to maintain, as appropriate, all indemnity bonds and insurance required by the contract documents and by law;

(B) Will not make or cause or permit to be made any application of the proceeds of the Notes or of any moneys held in the Notes Debt Service Fund or the Notes Construction Trust Fund except in accordance with the provisions of Article IV hereof;

(C) Will prepare and submit to the Trustee, on or prior to the 15th day of each month during construction of the Project, a budget certification setting forth anticipated expenditures for Costs of the Project by category during the next succeeding month and to the conclusion of construction, and the corresponding anticipated source of reimbursement for such Costs as well as an accounting of all moneys disbursed as of the 10th day of the previous month for Costs of the Project, both cumulatively and during the previous 30-day period, and the corresponding source or anticipated source of reimbursement for such Costs, and certifying that such source or anticipated sources of funds at least equal the anticipated expenditures for Costs of the Project;

(D) Will comply in all respects with the terms, conditions and provisions of all Grant Agreements and with all applicable State and federal laws and regulations governing the implementation of any Grant Agreement;

(E) Will impose and collect rates and charges for the use and services of the System in accordance with the requirements of any Grant Agreement and the Ordinance;

(F) Will take all actions necessary to enforce any Grant Agreement and to preserve its right to receive payments or reimbursements under the Grant Agreement;

(G) Will continue promptly to request any payment or reimbursement to which it has become entitled under the Grant Agreements;

(H) Will promptly pay over to the Trustee all Grant Receipts and Surplus Revenues for deposit in the appropriate accounts;

(I) Will not unilaterally terminate, or enter into any agreement to terminate, any Grant Agreement; and

(J) Will not create, assume or suffer to be created any judgment, mortgage or deed of trust, pledge or other lien, encumbrance or charge on the Net Revenues, the Surplus Revenues, if any, or on any property or assets, real or personal, of the System prior to or on a parity with the liens created on behalf of the Notes originally issued hereunder (except as permitted by Section 3.02 hereof).

(K) Will promptly notify the Trustee if any notification of cessation of Grant payments or of any stop order with regard to any Grant which delays the Project schedule more than 30 days.

Section 3.04. Required Notices to Trustee. The Issuer will give to the Trustee prompt written notice, appropriately documented, of any change in the status of the Grants and of any authorization of additional indebtedness, including the issuance of Parity Bonds or refunding notes and particularly of any of the following events:

(A) Any modification of a Grant;

(B) The suspension of any Grant, or the issuance of any stop-work order;

(C) The lifting or cancellation of the suspension of any Grant or of the issuance of any stop-work order;

(D) The termination of any Grant;

(E) The annulment of any Grant; and

(F) The interruption of Grant payments for more than 30 days and any delay which interrupts the Project schedule for more than 30 days.

Section 3.05. Refunding Notes. In the event that there are not funds in the Notes Debt Service Fund, including the Notes Capitalized Interest Account therein, 30 days prior to the maturity date

of the Notes originally issued hereunder, sufficient to pay, at maturity, the entire principal of and interest on the Notes, the Issuer covenants to use its best efforts to sell its refunding notes or other obligations in an amount which will provide net proceeds sufficient for such purpose.

Except for details thereof inconsistent herewith and as otherwise provided by an indenture supplemental hereto, such refunding notes or other obligations shall be subject to the terms and restrictions and secured, on a subordinate basis, by the covenants and in the manner set forth herein for the Notes originally issued hereunder. Except as otherwise provided herein, such refunding notes or other obligations shall be offered to sale upon reasonable and customary terms and conditions.

The proceeds of any refunding notes or other obligations, after making provision for the payment of the expenses of issuance thereof, shall be deposited in the Notes Debt Service Fund and used solely for the payment of the principal of and interest accrued on the Notes.

Notwithstanding the foregoing, as additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $8,000,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto, and shall be secured by the proceeds of the EPA Grant and such security as pledged herein as security for the Notes.

ARTICLE IV

NOTES PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts. Pursuant to this Article IV, the following special funds or accounts are created with, and shall be held by, the Trustee, segregated from all other funds and accounts of the Trustee of the Issuer and from each other, and used solely for the purposes provided herein:

(1) Notes Construction Trust Fund, and therein:

(a) Notes Cost of Issuance Account,

(2) Notes Debt Service Fund, and therein:

(a) Notes Capitalized Interest Account

Section 4.02. Notes Construction Trust Fund and Notes Cost of Issuance Account. The Notes Cost of Issuance Account contained within

the Notes Construction Trust Fund shall be used solely for the payment of the expenses of issuing the Notes. After payment of all such expenses, as certified to the Trustee by an Authorized Officer, the Trustee shall close such account, and any balance remaining in the Notes Cost of Issuance Account shall be transferred to the Notes Construction Trust Fund.

The Trustee shall disburse no moneys from the Notes Construction Trust Fund except to pay Costs of the Project as provided below, or to pay the principal of or interest on the Notes, when due.

All earnings on moneys in the Notes Construction Trust Fund shall be credited to the Notes Construction Trust Fund.

Section 4.03. Disbursements From the Notes Construction Trust Fund. Payments for Costs of the Project shall be made monthly. All costs of the Project (except for costs of issuance of the Notes) shall first be paid from the Bond Construction Trust Fund and, upon depletion thereof, from the Notes Construction Trust Fund. Prior to making any disbursements from the Notes Construction Trust Fund, the Trustee shall have received the certification of the Issuer required by Section 3.03(C) hereof.

Disbursements from either the Bond or Notes Construction Trust Funds, except from the Notes Cost of Issuance Account, shall be made only after submission to the Trustee of (i) copies of all invoices relating to such payment and (ii) a certificate, signed by an Authorized Officer and an authorized representative of 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.

The Trustee shall disburse from the Notes Construction Trust Fund 90% of the amount set forth in the invoice or invoices submitted to the Trustee relating to each contract, provided that, upon payment of one-half of the total amount of such contract, and if so directed by an Authorized Officer, the Trustee shall disburse 95% of the amount set forth in such invoice or invoices, provided further, that, upon certification by the Consulting Engineer to the Trustee that all work on such contract has been completed and accepted, the Trustee shall disburse the entire balance due to such contractor, except such sums as shall be certified by an Authorized Officer as lawfully retained by the Issuer.

All payments made from the Notes Construction Trust Fund shall be presumed by the Trustee to be made for the purposes set forth in said certificate, and the Trustee shall not be required to monitor the application of disbursements from the Notes Construction Trust Fund. The Consulting Engineers shall from time to time file with the Trustee written statements advising the Trustee of its then authorized representative.

Pending such application, moneys in the Notes Construction Trust Fund, including any accounts therein, shall be invested and reinvested in accordance with Article V hereof.

Whenever the Trustee shall have received notice pursuant to Section 3.04 hereof that any Grant has been suspended or a stop-work order has been issued, the Trustee shall not make further disbursements from the Notes Construction Fund until it shall have received notice of the lifting of such suspension or stop-work order in accordance with such section. If the Trustee shall have received notice pursuant to said Section 3.04 that any Grant has been terminated or annulled, the Trustee shall not make any further disbursements from the Bond Construction Trust Fund or the Notes Construction Trust Fund, and it shall immediately transfer all moneys remaining in the Bond Construction Trust Fund to the Sinking Fund and all moneys remaining in the Notes Construction Trust Fund to the Notes Debt Service Fund. Notwithstanding the foregoing provisions of this paragraph, if the Grant which has been suspended, terminated or withdrawn is a grant other than the EPA Grant or the WDA Grant, and the Issuer files with the Trustee a certificate of the Consulting Engineers reciting the conclusion and demonstrating that the Project can be completed and the Notes paid in full without such other Grant, the Trustee shall continue to make disbursements from the Bond Construction Trust Fund and the Notes Construction Trust Fund.

Thirty (30) days prior to the maturity of the Notes or five (5) days prior to any interest payment thereon, to the extent that sufficient moneys are not anticipated to be available in the Notes Debt Service Fund, including the Notes Capitalized Interest Account therein, to pay the principal of or interest on the Notes, or both, as the same shall become due, the Trustee shall transfer moneys in the Notes Construction Trust Fund to the Notes Debt Service Fund and apply such transferred moneys to such payment.

After completion of the Project, as certified by the Consulting Engineers, the Trustee shall transfer any moneys remaining in the Notes Construction Trust Fund to the Notes Debt Service Fund and hold such transferred moneys for the retirement of the Notes. If no Notes are then Outstanding, moneys remaining in the Notes Construction Trust Fund may be withdrawn by the Issuer to be used for any lawful purpose of the System.

Section 4.04. Notes Debt Service Fund and Capitalized Interest Account. All moneys in the Notes Debt Service Fund, until payment in full of all principal and interest owing on the Notes at their maturity, shall be held in trust for the Holders of the Notes and the Issuer shall have no rights with respect thereto except with respect

to the transfers and deposits specified below and to receive the balance therein after payment of the Notes and the interest thereon and the charges, if any, of the Trustee, the Registrar and the Paying Agent. All earnings on moneys held in the Notes Capitalized Interest Account shall be credited to the Notes Capitalized Interest Account. All earnings on moneys held in the Notes Debt Service Fund but not in the Notes Capitalized Interest Account therein shall be transferred monthly to the Notes Construction Trust Fund.

In the event that during any month the moneys in the Notes Construction Trust Fund are insufficient to pay invoices submitted to the Trustee pursuant to Section 4.03, the Trustee shall transfer a sum equal to such deficiency from the Notes Debt Service Fund to the Notes Construction Fund, provided that, such transfer shall not be made unless, after accomplishing such transfer, the amount then remaining in the Notes Debt Service Fund, together with all earnings expected to accrue thereon to the date of maturity of the Notes and 90% of the Anticipated EPA Grant Receipts, will be equal to or greater than the amount necessary pay the interest on all Outstanding Notes to become due and the principal of all Outstanding Notes at their Maturity.

Section 4.05. Application of Notes Proceeds. From the moneys received from the sale of the Notes originally issued hereunder, the Trustee shall make the following deposits:

A. The sum of $_____ (which includes all interest accrued on the Notes from the date thereof to the date of delivery to the Original Notes Purchaser) and which, together with the earnings thereon and any Grant Receipts which may be available therefor, as hereinabove provided, is estimated to be at least sufficient to pay interest on the Notes until the scheduled maturity thereof, shall be deposited in the Notes Capitalized Interest Account; provided, that the amount of Notes proceeds initially deposited in the Notes Capitalized Interest Account shall not exceed the amount of interest which will become due on the Notes for the period commencing on the date of the Notes and ending on the date which is 6 months subsequent to the estimated completion date of the Project. Any amount received on account of interest accrued on the Notes from the date thereof to the date of delivery to the Original Notes Purchaser shall be deemed a part of said sum deposited in the Notes Capitalized Interest Account.

B. The sum necessary to pay costs of issuance of the Notes and related costs, shall be deposited in the Notes Cost of Issuance Account.

C. The remaining moneys derived from the sale of the Notes shall be deposited in the Notes Construction Trust Fund.

The Trustee shall deposit the amount of Notes proceeds (including any interest accrued on the Notes from the date thereof to the date of delivery to the Original Notes Purchaser) required as provided above for the purpose of paying interest on the Notes until the maturity thereof in the Notes Capitalized Interest Account, segregated from all other deposits and funds of the Trustee or the Issuer, and

shall promptly invest the moneys in such account in accordance with Article V hereof. At or prior to any interest payment date on the Notes, as shall be reasonably requested by the Paying Agent, the Trustee shall transfer from the Notes Capitalized Interest Account to the Paying Agent in immediately available funds the amount of interest on the Notes then owing. In the event the funds on deposit in the Notes Capitalized Interest Account are insufficient to pay any interest on the Notes coming due, the Trustee shall transfer funds, first, from the remainder of the Notes Debt Service Fund, and then from the Notes Construction Trust Fund to make up such deficiency. After payment of all interest owing on the Notes, any excess in the Notes Capitalized Interest Account shall be transferred to the Notes Debt Service Fund and used to pay the principal of the Notes.

Section 4.06. Grant Receipts. All Grant Receipts received by the Issuer prior to the maturity of the Notes shall be promptly paid to the Trustee. The Trustee shall deposit __% of each EPA Grant Receipt in the Notes Debt Service Fund and the balance of each EPA Grant Receipt in the Notes Construction Trust Fund. The Trustee shall also deposit 100% of each Other Grant Receipt in the Notes Construction Trust Fund. When the moneys on deposit in the Notes Debt Service Fund are sufficient to pay the entire principal of and interest to maturity on the Notes, the entire amount of all subsequent EPA Grant Receipts shall be deposited by the Trustee in the Notes Construction Trust Fund.

Any Grant Receipts remaining or received after the payment of the Notes in full shall be applied to Costs of the Project, or, if the Project is then complete, as certified by the Consulting Engineers, such Grant Receipts may be withdrawn by the Issuer and used for any lawful purpose of the System.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE

Section 5.01. Investments. The Trustee shall invest and reinvest any moneys held as a part of the funds and accounts created by this Indenture at the direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Indenture, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The 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. The Trustee 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 Trustee may make any and all investments permitted by this section through its own bond department, unless otherwise directed by the Issuer, and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Qualified Investments acquired for the Notes Capitalized Interest Account shall have maturities or be subject to redemption at the option of the holder at least one day prior to the need for the funds by the Trustee for transfer to the Paying Agent.

Section 5.02. Restrictions as to Arbitrage Bonds. The Issuer hereby covenants, and hereby so instructs the Trustee, that it shall not permit at any time or times any of the proceeds of the Notes or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Note to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Authorized Officer shall deliver his certificate, based upon this covenant, with regard thereto to the Original Notes Purchaser.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

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

(ii) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes or in this Indenture or any agreement supplemental hereto or in the Notes contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Trustee; the Trustee may give such notice in its discretion and, subject to the provisions of Section 7.03 hereof, shall give such notice at the written request of the Holders of not less than 10% in aggregate principal amount of the Notes then Outstanding; or

(iii) 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.

The Trustee shall, within 60 days of giving written notice of default as provided by subsection (ii) of this section or within 60 days of such Event of Default, mail by first class United States mail, postage prepaid, a copy of such written notice of default or notice of such Event of Default to each Noteholder, as indicated by the books maintained by the Registrar.

An "Event of Default" with respect to the Bonds (as described in the Ordinance) shall not constitute an Event of Default with respect to the Notes and vice versa.

Section 6.02. Enforcement by Trustee. Upon the happening and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Notes at such time Outstanding shall, upon being satisfactorily indemnified as provided in Section 7.03 hereof, exercise in its own name any or all of the powers of the Noteholders under Section 6.04 and, in particular:

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

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

(C) Bring suit upon the Notes;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Noteholders; and

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

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

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

Section 6.03. Appointment of Receivers. Subject to the provisions of the Ordinance governing appointment of receivers in the event of default on the Bonds, upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Noteholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate pending such proceedings, with such powers as the court making such appointment shall confer.

Section 6.04. Enforcement by Noteholders. Any Holder of an Outstanding Note may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights, including those specified in Section 6.02 hereof, provided that, prior to

resorting to any court of law or to any other legal process, either (i) such Holder has given written notice to the Issuer and the Trustee specifying the Event of Default to be complained of and requesting the Trustee to take appropriate action, has offered to indemnify the Trustee for its expenses in taking such action, and the Trustee has failed to act within a reasonable time, or (ii) such Holder has obtained the written consent of the Trustee to the institution of the action, suit or proceeding proposed, and such action, suit or proceeding is brought for the ratable benefit of all Noteholders.

Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of the Notes then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 6.05. Possession of Notes By Trustee Not Required. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Notes may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Notes and any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Notes.

Section 6.06. Restoration of Issuer and Trustee. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights and remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.07. Waiver of Event of Default. The Trustee shall waive any Event of Default hereunder and its consequences upon the written request of the Holders of a majority in aggregate principal amount of the Notes then Outstanding; provided, however, that there shall not be waived any default in the payment of (i) the principal of any Outstanding Note at the stated maturity or (ii) any interest when due on any Note.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Noteholder, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 6.08. Right To Enforce Payment Of Notes Unimpaired. Nothing in this article shall affect or impair the right of any

Noteholder to enforce the payment of the principal of or interest on his Note or the obligation of the Issuer to pay the principal of and interest on each Note to its Holder when due.

ARTICLE VII

FIDUCIARIES

Section 7.01. Appointment of Trustee; Acceptance of Trustee. The Trustee accepts and agrees to execute the trusts and duties imposed upon it by this Indenture, but only upon the terms and conditions set forth herein.

Section 7.02. Paying Agent and Registrar. _____, _____, West Virginia, is hereby initially appointed as Paying Agent and Registrar for the Notes, and said bank shall evidence acceptance of such appointment by entering into an agreement setting forth the rights and obligations of the Registrar and Paying Agent, in form satisfactory to the Issuer, provided that, the Issuer may, from time to time, appoint another bank as Registrar or Paying Agent, subject to the requirements of Section 7.12 hereof.

Section 7.03. Responsibilities of Fiduciaries. The recitals of fact in this Indenture and the Notes shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of this Indenture by the Issuer or of any Notes. The Noteholders shall indemnify any Fiduciary for any acts taken which may involve it in expense or liability or the institution or defence of any action or suit in respect of this Indenture or the Notes or an advance of any of its own moneys. Notwithstanding the foregoing, the Registrar shall be responsible for any representations in its certificate of authentication and registration on the Notes.

The Trustee, prior to the occurrence of an Event of Default and after the remedy of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Any provision of this Indenture relating to action taken or to be taken by any Fiduciary or to evidence upon which such Fiduciary may rely shall be subject to the provisions of this section.

Section 7.04. Evidence on Which Fiduciary May Act. Except as otherwise provided by Section 10.01 hereof, a Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be

genuine and to have been signed or presented by the proper party or parties. Whenever a Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 7.05. Compensation and Expenses. The Issuer shall pay to any Fiduciary from time to time reasonable compensation for all services, and also reimburse its reasonable expenses, charges, legal fees and other disbursements and those of its attorneys, agents and employees, incurred in the performance of its duties hereunder. The Issuer shall indemnify (but only from the sources pledged for payment of the Notes) and save any Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties and which are not due to its own negligence, default or willful misconduct.

Section 7.06. Certain Permitted Acts. A Fiduciary may become the owner of or may deal in Notes as fully and with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, such Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Noteholders or effect or aid in any reorganization growing out of the enforcement of the Notes or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Notes Outstanding.

Section 7.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of its duties and obligations under this Indenture by giving not less than 60 days written notice to the Issuer, the Holders of the Notes, the Registrar and the Original Notes Purchaser, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or Noteholders, in which event such resignation shall take effect immediately.

Section 7.08. Removal. The Trustee may be removed at any time by the Holders of a majority in principal amount of the Notes then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by such Noteholders or by their attorneys duly authorized in writing and delivered to the Issuer. Copies of each such instrument shall be delivered by the Issuer to the Trustee.

Section 7.09. Appointment of Successor. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer or court shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Notes

then Outstanding by an instrument or concurrent instruments in writing signed by such Noteholders or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the Issuer and the predecessor Trustee. Pending such appointment, the Issuer shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by such Noteholders. The Issuer shall, by registered or certified mail, mail notice of any such appointment to the Holders of the Notes at the address shown for each such Holder of the registry books maintained by the Registrar within 20 days after such appointment. Any successor Trustee appointed by the Issuer shall, immediately and without further act, be superseded by a Trustee appointed by such Noteholders. If in a proper case no appointment of a successor Trustee shall be made within 45 days after the Trustee shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Trustee or any Noteholder may apply to any court of competent jurisdiction to appoint a successor. Any Trustee appointed under the provisions of this section shall be a bank, trust company or national banking association doing business and having its principal office in the State of West Virginia, having trust powers and authorized to perform the duties imposed upon it by this Indenture and insured by the Federal Deposit Insurance Corporation.

Section 7.10. Transfer of Rights and Property to Successor. Any predecessor Trustee shall pay over, assign and delivery any moneys and Qualified Investments or assets of the Trust Estate held by it to its successor.

Section 7.11. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Trustee or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 7.09.

Section 7.12. Additional and Successor Paying Agents and Registrars.

A. The Issuer may at any time, with the approval of the Original Notes Purchaser and pursuant to Section 9.01 hereof, appoint one or more other Paying Agents having the qualifications hereinafter set forth as a additional or successor Paying Agent and appoint another Registrar, having the qualifications hereinafter set forth, as a successor Registrar.

B. Any Paying Agent or the Registrar may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days written notice to the Issuer, the Trustee and the other Paying Agents, if any. Any Paying Agent or the Registrar may be removed at any time by an instrument filed with such

Paying Agent or the Registrar, as the case may be, and the Trustee and signed by the Issuer.

Any successor or additional Paying Agent and any successor Registrar must be a bank, trust company or national banking association authorized by law to perform all the duties imposed upon it by the Indenture. Such successor or additional Paying Agent or successor Registrar shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof.

C. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or, if there be no successor, to the Trustee. In the event of the resignation or removal of the Registrar, such Registrar shall deliver the registration books of the Issuer to its successor, of, if there be no successor, to the Trustee. If the position of Paying Agent or Registrar shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent or Registrar within said period, the Trustee shall, in its discretion, make such appointment or serve as such.

D. Any bank, trust company or national banking association with or into which any Paying Agent or the Registrar may be merged or consolidated, or to which the assets and business of such Paying Agent or Registrar may be sold, shall be deemed the successor of such Paying Agent or Registrar, as the case may be, for the purposes of this Indenture.

E. Notice of the appointment of successor or additional Paying Agents or fiscal agents or of a successor Registrar shall be given in the same manner as provided by Section 7.09 hereof with respect to the appointment of a successor Trustee.

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

ARTICLE VIII

DEFEASANCE; DISCHARGE OF INDENTURE

Section 8.01. Defeasance of Notes; Discharge of Indenture. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Notes the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then, this Indenture and the pledges of the Grant Receipts, the Surplus Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Notes made

hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Notes 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 an earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Notes shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Notes 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 Trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same or earlier time, shall be sufficient, to pay when due the principal of and interest due and to become due on the Notes on and prior to the maturity date thereof. Neither securities nor moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Notes; provided, that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on the Notes on and prior to such maturity date thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01. Supplemental Indentures Not Requiring Consent of Noteholders. The Issuer and the Trustee may without the consent of, or notice to, any of the Noteholders enter unto an indenture or indentures supplemental to this Indenture, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(A) To specify, determine or authorize any matters and things concerning the Notes or the proceeds thereof which are not contrary to or inconsistent with this Indenture;

(B) To authorize a series of refunding notes or other obligations and to specify, determine or authorize any matters and things concerning any such refunding notes or other obligations or the

proceeds thereof which are not contrary to or inconsistent with this Indenture;

(C) To impose additional covenants or agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture or the Ordinance;

(D) To impose other limitations or restrictions upon the Issuer;

(E) To surrender any right, power or privilege reserved to or conferred upon the Issuer by this Indenture;

(F) To confirm, as further assurance, any pledge of or lien upon the Grant Receipts or any other moneys, securities or funds;

(G) To cure any ambiguity, omission or defect in this Indenture;

(H) To modify or amend any of the terms or provisions of this Indenture if no Notes are Outstanding at the time of such modification or amendment; and

(I) To modify or amend any of the terms or provisions of this Indenture, provided that such modification by its terms shall not take effect until all Notes Outstanding on the date of adoption of such modification or amendment shall have ceased to be Outstanding.

Section 9.02. Amendment by Consent of Registered Owners. Except for the supplemental indentures allowed under Section 9.01 hereof, this Indenture or any indenture supplemental hereto and the rights and obligations of the Issuer, the Trustee and the Noteholders may be modified or amended only with the written consent of the Holders of 60% in aggregate principal amount of the Notes then Outstanding, which must be filed with the Trustee before any such modification or amendment may become effective. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Note without the express written consent of the Holder of such Note, nor reduce the percentage of Notes required for consent to any such modification or amendment.

ARTICLE X

MISCELLANEOUS

Section 10.01. Evidence of Signatures of Noteholders and Ownership of Notes. Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by Noteholders may be in one or more instrument of similar tenor, and shall be signed or executed by such Noteholders in person or by their attorneys duly authorized in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing or

authorizing any such attorney, or (ii) the ownership by any person of any Notes shall be sufficient for any purpose of this Indenture if made in the following manner, or in any manner satisfactory to the appropriate Fiduciary, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

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

C. The amount of Notes owned by any person executing any such instrument as a Noteholder, the numbers and other identification thereof, and the date of his ownership of such Notes may be proved by a certificate, executed by the Registrar showing that at a date therein mentioned such person was the owner of such Notes as shown on the registry books maintained by the Registrar. Any request, consent or other instrument executed by the Holder of any Note shall bind all future Holders of such Note or any replacement or replacements therefor in respect of anything done or suffered to be done hereunder by the Issuer or the Trustee in accordance therewith.

Section 10.02. Preservation and Inspection of Documents. All reports, certificates, statements and other documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Noteholder, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Indenture shall be discharged as provided in Section 8.01 hereof.

Section 10.03. Cancellation of Notes. All Notes purchased or paid shall, if surrendered to the Issuer, be cancelled and delivered to the Registrar, or, if surrendered to the Registrar, be cancelled by it. No such Notes shall be deemed Outstanding under this Indenture and no Notes shall be issued in lieu thereof. All such Notes shall be

cancelled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.04. Failure to Present Notes. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Notes which remain unclaimed for 1 year after the date on which such Notes have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Trustee or said Paying Agent to the Issuer as its absolute property and free from trust, and the Trustee or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Notes shall look only to the Issuer for the payment of such Notes; provided, however, that, before making any such payment to the Issuer, the Trustee or said Paying Agent shall at the expense of the Issuer cause to be mailed by registered or certified mail to the Holders of such Notes, at their respective addresses listed on the registry books maintained by the Registrar, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

Section 10.05. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Trustee, the Original Notes Purchaser or the Consulting Engineers shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

A. Issuer:

City of Williamson

_____

_____

Attention: Mayor

B. Trustee:

_____

_____

_____

Attention: Trust Officer

C. Consulting Engineers:

_____

_____

_____

Attention: _____

D. Original Notes Purchaser:

_____

_____

_____

Attention: _____

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

Section 10.06. No Personal Liability. No officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Note, but nothing herein contained shall relieve any such official or employee from the performance of any official duty provided by law or this Indenture.

Section 10.07. Law Applicable. The laws of the State shall govern the construction of this Indenture and of all Notes.

Section 10.08. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Trustee, the Registrar, the Paying Agent, the Holders of the Notes and the Original Notes Purchaser any right, remedy or claim under or by reason of this Indenture. All the covenants, stipulations, promises and agreements contained in this Indenture by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, the Registrar, the Paying Agent, the Holders of the Notes and the Original Notes Purchaser.

Section 10.09. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Indenture shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Indenture.

Section 10.10. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.11. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the CITY OF WILLIAMSON has caused this Indenture to be executed on its behalf by its Mayor and has caused the seal of the Issuer to be hereunto affixed and duly attested by its Recorder; and _____, as Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized officer and its corporate seal to be hereunto affixed and duly attested, all as of the date and year first above written.

CITY OF WILLIAMSON

By _____
Mayor

[SEAL]

ATTEST:

By _____
Clerk

_____
Trustee

By _____
Its _____

[SEAL]

ATTEST:

By _____
Its _____

The foregoing instrument was prepared by:

GOODWIN & GOODWIN
1500 One Valley Square
Charleston, West Virginia 25301

EXHIBIT A

[Form of Front of Note]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MINGO
CITY OF WILLIAMSON
WATERWORKS AND SEWERAGE SYSTEM GRANT ANTICIPATION NOTE,
SERIES 1986

INTEREST RATE:	MATURITY DATE:	NOTE DATE:	CUSIP NO.:
_____	_____	_____	_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: $_____

KNOW ALL MEN BY THESE PRESENTS: That the City of Williamson, a municipal corporation organized and existing under the laws of, and a political subdivision of, the State of West Virginia (the "Issuer"), for value received, hereby promises to pay (but only from the sources pledged therefor as hereinafter mentioned) to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, unless redeemed prior thereto, as hereinafter provided, the Principal Amount identified above, and to pay interest at the annual Interest Rate identified above semi-annually on _____ 1 and _____ 1 of each year, from the interest payment date next preceding the date of registration of this Notes (unless this Note is registered as of an interest payment date, in which event it shall bear interest from the date of registration hereof, or unless this Note is registered prior to _____ 1, 198_, in which event it shall bear interest from _____ 1, 198_) until payment of such principal sum is made in full. The principal (or redemption price) hereof is payable in any coin or currency which, on the date of payment of principal, is legal tender for the payment of public and private debts in the United States of American upon surrender of this Note at the office of _____, _____, West Virginia (the "Registrar"). Interest hereon is payable by check or draft mailed to the Registered Owner hereof at the address shown on the registry books maintained by the Registrar as of the 15th day of the month next preceding such interest payment date.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

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 Note exist, have happened and have been performed in due time, form and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and

that the issuance of this Note and the Notes of the issue of which this Note is one is not in violation of any constitutional, statutory or charter limitation of indebtedness.

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

The Note and the interest hereon are, under the Act, exempt from all taxation imposed by the State of West Virginia and any county, municipality, political subdivision or agency thereof.

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

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

IN WITNESS WHEREOF, The CITY OF WILLIAMSON has caused this Note to be signed by its Mayor and its corporate seal or a facsimile thereof to be imprinted hereon and attested by the signature of its Clerk in the manner provided in the Indenture, as of this ___ day of _____, 198__.

CITY OF WILLIAMSON

[SEAL]

[Facsimile Signature]
Mayor

ATTEST:

[Facsimile Signature]
Clerk

[Form of
REGISTRAR'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This Note is one of the fully registered Grant Anticipation Notes described in the within-mentioned Ordinance and Indenture,

Date of Registration _____, ____.

_____
Registrar

By _____
Authorized Officer

[Form of Reverse of GAN]

This Note is one of an issue of Grant Anticipation Notes (the "Notes") in the aggregate principal amount of $_____, of like tenor and effect, except as to number and denomination, issued (i) to finance a portion of the costs of the construction and acquisition of certain improvements, extensions and additions to the existing combined waterworks and sewerage facilities of the Issuer (the "Project") (the Project, together with the existing combined waterworks and sewerage system of the Issuer and any improvements and extensions thereto, is hereinafter referred to as the "System") pending receipt by the Issuer of certain grant proceeds from the United States Environmental Protection Agency (the "EPA") and other federal, state and local agencies (collectively, as received after the date of issuance of the Notes, the "Grant Receipts"); (ii) to pay interest on the Notes when due; and (iii) to pay certain costs of issuance thereof and related costs, and is issued in anticipation of such Grant Receipts. This Note 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 and Supplemental Resolutions duly adopted by the Issuer (collectively, the "Ordinance"), and is issued and secured pursuant to the terms of a Trust Indenture (the "Indenture") dated as of _____ 1, 198__, between the Issuer and _____, _____, West Virginia, as trustee (the "Trustee"), and is subject to all the terms and conditions of said Indenture.

The Notes are subject to redemption at the option of the Issuer prior to maturity, in whole, but not in part, at any time on or after _____ 1, 198_, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium. Notice of any such redemption shall be given by the Registrar by certified or registered mail to the Registered Owner of the Notes to be redeemed at the address on registry books maintained by the Registrar, not less than 30 days prior to the date fixed for redemption, stating the redemption price and the place or places where payment of the redemption price will be made. Failure to send such notice or error therein shall not invalidate the call for redemption.

This Note is a special obligation of the Issuer, secured by the Indenture and payable solely from (i) the Grant Receipts; (ii) other moneys, including investment income and unexpended Note proceeds, held in the funds and accounts established with respect to the Notes by the Indenture; (iii) the Surplus Revenues, if any, of the System, as such term is defined in the Indenture; and (iv) the net proceeds of any refunding notes or other obligations issued for the purpose of paying the principal of or interest on the Notes.

If, 30 days prior to the maturity hereof, the funds deposited for payment are insufficient to pay the entire principal of and interest to be accrued on the Notes to the date of maturity, the Issuer has covenanted to use its best efforts to sell refunding notes or other

obligations in an amount which will provide next proceeds sufficient to replenish such deficiency, but only upon the conditions and as described in the Indenture, to which reference is made for a further description of the security for the Notes.

Interest on this Note is payable from certain proceeds of the sale hereof, to be held for such purpose by the Trustee, together with the earnings thereon and certain other moneys available therefor. All moneys received from the sale of the Notes shall be applied solely to the payment of certain costs of the Project, as defined in the Indenture, including payment of any indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of such Notes, to the appurtenant capitalized interest account and to the payment of certain costs of issuance and related costs, and the Indenture creates a lien upon such moneys, until so applied, in favor of the Registered Owners of the Notes.

This Note 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 the sources specified above. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the principal of or interest on this Note.

Under the Indenture, the Issuer has entered into certain covenants on behalf of the Registered Owners of the Notes, for the terms of which reference is made to said Indenture. The Issuer has covenanted not to issue any obligations with a lien on or otherwise payable from any source of payment pledged for the Notes prior to or on a parity with the lien on behalf of the Notes so long as any of the Notes are outstanding. Remedies provided the Trustee on behalf of the Registered Owner of this Note, and to said Registered Owner, are exclusively as provided in the Indenture, to which reference is here made for a detailed description thereof.

The Notes of the issue of which this Note is one are issuable only as fully registered Notes in denominations of $5,000 and any integral multiple thereof. Registration of this Note may be transferred, or this Note may be exchanged, at the office of the Registrar by the Registered Owner hereof in person or by his, her or its attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Note. Upon such transfer or exchange a new Note or Notes, of authorized denomination or denominations, for the like aggregate principal amount, shall be issued, to the transferee in the case of transfer, in exchange herefor.

[Form of ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned Registered Owner do(es) hereby sell, assign and transfer unto _____.

_____

_____

(name, address and social security number or other identifying number of assignee) the within-mentioned Note and irrevocably constitute(s) and appoint(s) _____ to transfer the same on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

_____
Registered Owner

(NOTE: The signature must correspond with the name of the Registered Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or any change whatever.)

CITY OF WILLIAMSON

WATERWORKS AND SEWER REVENUE BONDS
SERIES 1986 A, SERIES 1986 B, and SERIES 1986 C
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE, PRINCIPAL PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 A, SERIES 1986 B AND SERIES 1986 C OF THE CITY; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF BOND NOS. R-1 and R-2 TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND BOND NO. R-3 TO THE UNITED STATES DEPARTMENT OF AGRICULTURE, FARMERS HOME ADMINISTRATION; DESIGNATING A REGISTRAR AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND NOTES.

WHEREAS, the City Council (the "governing body") of the City of Williamson, West Virginia (the "Issuer"), duly and officially adopted an Ordinance effective May 8, 1986, (the "Bond Ordinance") entitled:

ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF WILLIAMSON OF NOT MORE THAN $1,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 A, NOT MORE THAN $750,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 B, NOT MORE THAN $1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 C, AND NOT MORE THAN $8,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR BOTH, TO FINANCE THE COSTS OF ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWER FACILITIES OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Waterworks and Sewer Revenue Bonds of the Issuer (the "Bond"), in an aggregate principal amount of not to exceed $4,300,000 and not more than $8,000,000 interim construction financing, consisting of Grant Anticipation Notes or a line of credit evidence by Notes, or both, to finance the cost of acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewer facilities of the combined Waterworks and Sewerage System of the Issuer, all in

accordance with West Virginia Code, Chapter 8, Article 20 (the "Act"); and in the Bond Ordinance it is provided that the maturity date, interest rate, interest and principal payment dates, sales price and other terms of the Bonds should be established by Supplemental Resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, Bond Nos. R-1 and R-2 are to be sold to the West Virginia Water Development Authority pursuant to a Loan Agreement and Supplemental Loan Agreement (together referred to herein as the "Loan Agreement") dated as of March 25, 1986, by and between the Issuer and the Authority; and Bond No. R-3 is proposed to be purchased by the United States Department of Agriculture, Farmers Home Administration pursuant to a Letter of Conditions and Commitment, as amended;

WHEREAS, the governing body deems it essential and desirable that this Supplemental Resolution (the "Supplemental Resolution") be adopted and that the price, the maturity date, the redemption provisions, the interest rate and the interest and principal payment dates 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 CITY COUNCIL OF THE CITY OF WILLIAMSON:

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

(i) the Waterworks and Sewer Revenue Bond, Series 1986 A, of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of $1,402,664. The Bond shall be dated May 28, 1986, shall mature October 1, 2025, shall bear interest at the rate of 9.75% per annum payable semi-annually on April 1 and October 1 of each year, first interest payable October 1, 1986, first principal payable October 1, 1988, such payments to be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, shall be subject to redemption upon the written consent of the Authority and upon payment of the interest and redemption premium provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bond, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and incorporated therein by reference;

(ii) the Waterworks and Sewer Revenue Bond, Series 1986 B, of the Issuer, originally represented by a single Bond, numbered R-2, in the principal amount of $698,295. The Bond shall be dated May 28, 1986, shall mature October 1, 2025, shall be non-interest bearing, first principal payable October 1, 1988, such payments to be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, shall be subject to redemption upon the written consent of the Authority, and upon payment of the redemption premium provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bond, and shall be payable in installments of principal on

October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and incorporated therein by reference;

(iii) the Waterworks and Sewer Revenue Bond, Series 1986 C, of the Issuer, originally represented by a single Bond, numbered R-3, in the principal amount of $1,800,000. The Bond shall be dated May 28, 1986, shall mature April 28, 2025, shall bear interest at the rate of 5.00% per annum, interest only on the Bond payable in monthly installments for the 24 months commencing on the 30th day after delivery of the Bond and thereafter, the principal and interest on the Bond are payable in monthly installments of $8,838.00 due on the corresponding day of each month, except that the final installment to be paid in the sum of the unpaid principal and interest due shall be paid at the end of forty years from the date of the Bond, all such payments to be made at the National Finance Office, Farmers Home Administration, United States Department of Agriculture, St. Louis, Missouri, 63103.

Section 2. All other provisions relating to the Bonds shall be, and the Bonds shall be in substantially the form provided in, the Bond Ordinance.

Section 3. The Issuer does hereby agree to act as Registrar for the Bonds and does further agree to perform the obligations of the Registrar set forth in the Bond Ordinance.

Section 4. The Issuer does hereby appoint The First National Bank of Williamson as Depository Bank under the Bond Ordinance.

Section 5. The Issuer does hereby appoint The West Virginia Municipal Bond Commission as Paying Agent under the Bond Ordinance.

Section 6. The sale of the Bond, No. R-1, to the Authority pursuant to the terms of the Loan Agreement is hereby approved. The price of the Bond shall be $1,402,664 (100% of par). The sale of the Bond, No. R-2, to the Authority pursuant to the terms of the Loan Agreement is hereby approved. The price of the Bond shall be $698,295 (100% of par). The sale of the Bond, No. R-3, to the Government pursuant to the terms of the Letter of Conditions and Commitment is hereby approved. The price of the Bond shall be $1,800,000 (100% of par).

Section 7. The Issuer hereby authorizes the establishment of the following subaccounts within the Bond Construction Trust Fund established under Section 5.01 of the Ordinance:

(1) Subaccount A

(2) Subaccount B

All proceeds received from the sale of Bond Nos. R-1 and R-2 to the Authority shall be deposited in Subaccount A. All proceeds received from the sale of Bond No. R-3 to the Government shall be deposited in Subaccount B. Proceeds deposited into Subaccount A shall be kept

separate and apart from proceeds deposited into Subaccount B for all purposes.

Section 8. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates as required or desirable in connection with the Bonds hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about May 28, 1986, Bond Nos. R-1 and R-2 to the Authority pursuant to the Loan Agreement and Bond No. R-3 to the Government pursuant to the Letter of Conditions and Commitment.

Section 9. The execution and delivery of the Loan Agreement dated as of March 25, 1986, by the Mayor and the City Clerk is hereby ratified and approved.

Section 10. The financing of the Project by the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 20th day of May, 1986.

CITY OF WILLIAMSON, WEST VIRGINIA

By Sam G. Fagaroli
Its Mayor

ATTEST:

By June Blevins
Its Clerk

CERTIFICATE

The undersigned Clerk of the City Council of the City of Williamson (the "City Council"), hereby certifies that the foregoing is a true, correct and complete copy of a Supplemental Resolution adopted by a majority of the members of the City Council present and voting at a special meeting duly called and held on the 20th day of May, 1986, in accordance with the law, at which a quorum was present and acting throughout, and that such Supplemental Resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS my hand and the seal of the City Council of the City of Williamson this 20th day of May, 1986.

Janet Blevins
Clerk, The City Council of
the City of Williamson

(SEAL)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WILLIAMSON
WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 B

SPECIMEN

No. R-2

$698,295
Date: May 28, 1986

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF WILLIAMSON, a municipal corporation of the State of West Virginia in Mingo 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 West Virginia Water Development Authority (the "Authority") or registered assigns the sum of Six Hundred Ninety Eight Thousand Two Hundred Ninety Five Dollars ($698,295), in installments on October 1 of each year as set forth on the "Schedule of Level Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at such place otherwise approved by the Issuer and the Authority.

SPECIMEN

This Bond may be redeemed prior to its stated date of maturity in whole or in part of any time, but only with the express written consent of, and upon the terms and conditions prescribed by, West Virginia Water Development Authority.

This Bond is issued (i) to pay costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing combined waterworks and sewage treatment and collection facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. 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"), an Ordinance duly enacted by the Issuer on the 8th day of May, 1986, and by resolutions supplemental thereto of the Issuer duly enacted, (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 Bonds under the Ordinance.

SPECIMEN

This Bond is payable only from and secured by a pledge of a lien on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, monies in the Reserve Account created under the Ordinance (the "Series 1986 B Bond Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same except from said special fund provided from the Net Revenues, the monies in the Series 1986 B Bond Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which, along with other revenues of the System, shall be 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 required in any fiscal year for debt service on the Series 1986 B Bond and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1986 B Bond or, if the Series 1986 B Bond Reserve Account for the Bond is funded (whether by proceeds of the Bond, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal (there being no interest) which will become due on the Series 1986 B Bond in any fiscal year, and any reserve account for such prior or parity obligations is funded at least at the requirement therefor, equal to at least 110% of the amount required in any fiscal year for debt service on the Series 1986 B Bond and any such prior or parity obligations. The Issuer has entered into certain further covenants with the registered owners of the Series 1986 B Bond for the terms of which reference is made to the Ordinance. Remedies provided the registered owner of the Series 1986 B Bond is exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

SPECIMEN

This Bond is transferable, as provided in the Ordinance, only upon the books kept for that purpose at the office of the Issuer, as 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 provisions, 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.

SPECIMEN

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 Costs of the Project, as necessary, described in the Ordinance, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner, subordinate to that for the Series 1986 A Bond.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING WATERWORKS AND SEWER REVENUE BONDS, SERIES 1986 A AND SERIES 1986 C, OF THE ISSUER, ISSUED CONTEMPORANEOUSLY HEREWITH AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 A BONDS" AND THE "SERIES 1986 C BOND"), THE 1979 BOND, DESCRIBED IN THE 1979 ORDINANCE, ENACTED FEBRUARY 23, 1979, AND THE 1963 BONDS, DESCRIBED IN THE 1963 ORDINANCE, ENACTED JUNE 6, 1963.

SPECIMEN

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 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.

SPECIMEN

IN WITNESS WHEREOF, the CITY OF WILLIAMSON, WEST VIRGINIA, has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by the City Clerk and has caused this Bond to be dated May 28, 1986.

CITY OF WILLIAMSON

[SEAL]

By _____
Mayor

ATTEST:

_____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

SPECIMEN

_____
as Bond Registrar

By_____
Its Authorized Officer

Dated: May 28, 1986

SPECIMEN

EXHIBIT A

CITY OF WILLIAMSON
WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 B

SCHEDULE OF LEVEL ANNUAL DEBT SERVICE

MATURITY DATE	DEBT SERVICE
October 1, 1986	0.00
October 1, 1987	0.00
October 1, 1988	18,376.34
October 1, 1989	18,376.18
October 1, 1990	18,376.18
October 1, 1991	18,376.18
October 1, 1992	18,376.18
October 1, 1993	18,376.18
October 1, 1994	18,376.18
October 1, 1995	18,376.18
October 1, 1996	18,376.18
October 1, 1997	18,376.18
October 1, 1998	18,376.18
October 1, 1999	18,376.18
October 1, 2000	18,376.18
October 1, 2001	18,376.18
October 1, 2002	18,376.18
October 1, 2003	18,376.18
October 1, 2004	18,376.18
October 1, 2005	18,376.18
October 1, 2006	18,376.18
October 1, 2007	18,376.18
October 1, 2008	18,376.18
October 1, 2009	18,376.18
October 1, 2010	18,376.18
October 1, 2011	18,376.18
October 1, 2012	18,376.18
October 1, 2013	18,376.18
October 1, 2014	18,376.18
October 1, 2015	18,376.18
October 1, 2016	18,376.18
October 1, 2017	18,376.18
October 1, 2018	18,376.18
October 1, 2019	18,376.18
October 1, 2020	18,376.18
October 1, 2021	18,376.18
October 1, 2022	18,376.18
October 1, 2023	18,376.18
October 1, 2024	18,376.18
October 1, 2025	18,376.18
	698,295.00

SPECIMEN
SPECIMEN
SPECIMEN

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

,

SPECIMEN

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

SPECIMEN

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WILLIAMSON
WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 C

SPECIMEN

No. R-3

$1,800,000
Date: May 28, 1986

FOR VALUE RECEIVED, THE CITY OF WILLIAMSON, in the County of Mingo, State of West Virginia, a municipal corporation (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government") at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of One Million Eight Hundred Thousand Dollars ($1,800,000), or such lessor amount as set forth in the Record of Advances, plus interest on the unpaid principal balance at the rate of five percent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only commencing on the 30th day following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four (24) months after the date hereof and $8,838.00 covering principal and interest on said corresponding day of each month thereafter, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

SPECIMEN

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

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

SPECIMEN

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

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purposes of providing funds for financing costs of construction and acquisition of additions for the combined waterworks and sewerage system of the Borrower, is payable solely from the revenues to be derived from the operation of such combined waterworks and sewerage system after there have been first paid from such revenues the reasonable current costs of operation of the combined waterworks and sewerage system and the payments for the 1963 Bonds as described in the Ordinance authorizing this Bond. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision of limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at said office of the Registrar, as defined in the Ordinance, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance, and upon surrender and

SPECIMEN

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purposes of providing funds for financing costs of construction and acquisition of additions for the combined waterworks and sewerage system of the Borrower, is payable solely from the revenues to be derived from the operation of such combined waterworks and sewerage system after there have been first paid from such revenues the reasonable current costs of operation of the combined waterworks and sewerage system and the payments for the 1963 Bonds as described in the Ordinance authorizing this Bond. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision of limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at said office of the Registrar, as defined in the Ordinance, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance, and upon surrender and

SPECIMEN

cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange therefor.

SPECIMEN

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including among others, Article 20 of Chapter 8 of the West Virginia Code (herein called the "Act"), and with an Ordinance of the City duly enacted.

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

SPECIMEN

THIS BOND IS (i) ON A PARITY WITH RESPECT TO STATUTORY LIEN AND SOURCES OF AND SECURITY FOR PAYMENT TO THE WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 A, OF THE ISSUER, ISSUED CONTEMPORANEOUSLY HEREWITH AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 A BOND"), AND THE 1979 BOND, DESCRIBED IN THE 1979 ORDINANCE ENACTED FEBRUARY 23, 1979; (ii) JUNIOR AND SUBORDINATE TO THE WATERWORKS AND SEWER REVENUE BONDS OF THE CITY ISSUED IN 1963, DESCRIBED IN THE 1963 ORDINANCE ENACTED JUNE 6, 1963, AS TO THE STATUTORY LIEN AND SOURCE OF ANY SECURITY FOR PAYMENT; AND (iii) SENIOR TO THE WATERWORKS AND SEWER REVENUE BOND, SERIES 1986 B, OF THE CITY, ISSUED CONTEMPORANEOUSLY HEREWITH, AND DESCRIBED IN THE ORDINANCE (THE "SERIES 1986 B BOND"), AS TO THE STATUTORY LIEN AND SOURCE OF ANY SECURITY FOR PAYMENT.

THE CITY OF WILLIAMSON
WEST VIRGINIA

[CORPORATE SEAL]

By _____
Its Mayor

SPECIMEN

ATTEST:

New City Hall
Williamson, West Virginia 25661

By _____
Its Clerk

RECORD OF ADVANCES

SPECIMEN

AMOUNT	DATE	AMOUNT	DATE
(1) $		(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	

TOTAL $ _____

SPECIMEN

ASSIGNMENT

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

(No writing on this Bond except by the Registrar)

SPECIMEN

Date of Registration	In Whose Name Registered	Signature of Registrar

2nd draft
Change coverage 125%
changes Section 4.01

CITY OF WILLIAMSON

REFUNDING BOND ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF WILLIAMSON WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 1996 A, FOR THE PURPOSE OF DEFEASING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY OF WILLIAMSON DESIGNATED AS CITY OF WILLIAMSON WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 1986 A; AUTHORIZING THE DEFEASANCE OF CERTAIN OUTSTANDING WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF WILLIAMSON; AUTHORIZING THE ISSUANCE OF A SERIES OF WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING BONDS OF SAID CITY OF WILLIAMSON IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,000,000, WHICH, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE CITY OF WILLIAMSON MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSE, TO MAKE PROVISION FOR SUCH REFUNDING; AUTHORIZE AN ESCROW AGREEMENT IN CONNECTION WITH THE DEFEASANCE OF SAID REVENUE BONDS; FUND A RESERVE ACCOUNT FOR THE REFUNDING BONDS AND PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATED THERETO.

Be It Ordained by the City Council of Williamson, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 8, Article 20, and Chapter 13, Article 2E, of the Code of West Virginia, 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The City of Williamson, West Virginia (the "City"), now owns a combined waterworks and sewerage system (the "System"), both within and without the corporate limits of the City, consisting of a water treatment plant, distribution lines, pumps, storage tanks, sewage treatment plant or plants and its collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations and ejector stations and all other appurtenances, extensions, improvements and betterments necessary, appropriate, useful, convenient or incidental for the treatment, and distribution of water and the collection, treatment and disposal in a sanitary manner of sanitary sewage and industrial wastes.

B. In accordance with Section 18 of the Act, the System is under the supervision and control of the Utility Board of the City (the "Utility Board").

C. The acquisition and construction of the System were financed in part by the proceeds of prior bond and note issues of the City, including $2,200,000 in original principal amount of

Waterworks and Sewer Revenue Bonds of 1979 (the "1979 Bonds"), which are secured by a first lien on the net revenues of the System; $1,402,664 in original principal amount of Waterworks and Sewer Revenue Bonds, Series 1986 A (the "1986 Series A Bonds"), which are secured by a first lien on the net revenues of the System; $698,295 in original principal amount of Waterworks and Sewer Revenue Bonds, Series 1986 B (the "1986 Series B Bonds"), which are secured by a second and junior lien on the net revenues of the System; and $1,800,000 in original principal amount of Waterworks and Sewer Revenue Bonds, Series 1986 C (the "1986 Series C Bonds"), which are secured by a first lien on the net revenues of the System.

D. The 1979 Bonds are currently outstanding in the aggregate principal amount of $1,863,919, the 1986 Series A Bonds are currently outstanding in the aggregate principal amount of $1,356,132, the 1986 Series B Bonds are currently outstanding in the aggregate principal amount of $551,285,and the 1986 Series C Bonds are currently outstanding in the aggregate principal amount of $1,593,151.

E. The City derives revenues from the System, and, except for the pledges thereof to secure and pay the 1979 Bonds, the 1986 Series A Bonds, the 1986 Series B Bonds and the 1986 Series C Bonds, said revenues are not pledged or encumbered in any manner.

F. The City may now refund the 1986 Series A Bonds at a savings to the City and, therefore, such refunding is in the best interests of the City.

G. The 1986 Series A Bonds will be refunded with the proceeds of the Series 1996 A Bonds, together with funds of the City made available by the refunding of the 1986 Series A Bonds.

H. After the issuance of the Series 1996 A Bonds, the 1979 Bonds and the 1986 Series C Bonds will be secured by a shared first lien on the net revenues of the System, and the 1986 Series B Bonds and the 1996 Series A Bonds will be secured by a shared second and junior lien on the net revenues of the System.

I. The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of said System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of, interest on, and any other charges required to paid in connection with the 1979 Bonds, the 1986 Series C Bonds, the 1986 Series B Bonds, the principal of and interest on the Bonds authorized to be issued pursuant to this Ordinance and all sinking fund, reserve account and other payments provided for in this Ordinance.

J. The Series 1996 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth herein with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the City.

K. All things necessary to make the Series 1996 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 1996 A Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, and the execution and issuance of the Series 1996 A Bonds, subject to the terms thereof, will not result in any breach of, nor constitute a default under, any instrument to which the City is a party or by which it may be bound or affected.

M. The City is a governmental unit with general taxing powers.

N. The Series 1996 A Bonds are not private activity bonds as defined in the Code.

O. Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the Series 1996 A Bonds will be used for local governmental activities of the City.

P. The City shall not permit at any time any of the proceeds of the Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

Q. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

R. The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

S. It is deemed necessary for the City to issue its Series 1996 A Bonds to refund the 1986 Series A Bonds.

Section 1.03. Ordinance Constitutes a Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal holders of any and all of such Bonds issued hereunder, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04 Definitions. The following terms shall have the following meanings in this Ordinance unless the context expressly required otherwise:

"Act" shall mean Chapter 8, Article 20, and Chapter 13, Article 2E, of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

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

Authorized Officer" shall mean the Mayor of the City or any other officer of the City specifically designated by resolution of the City Council.

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

"Bond Register" shall mean the books of the City maintained by the Registrar for the registration and transfer of the Bonds.

"Bonds" shall mean the City of Williamson Waterworks and Sewer Revenue Refunding Bonds, Series 1996 A Bonds and any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance.

"Bond Year" shall mean the twelve 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.

"Certificate of Authentication and Registration" shall mean the Certificate of Authentication and Registration on the Series 1996 A Bonds, substantially in the form set forth herein.

"City" shall mean The City of Williamson, a municipal corporation of the State of West Virginia, and, where appropriate, the City Council and/or Utility Board of the City.

"City Clerk" shall mean the Clerk or Recorder of the City.

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

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

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations issued pursuant thereto.

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

"Consulting Engineers" shall mean a firm of registered professional engineers selected by the Board to provide consulting services with respect to the acquisition and construction of additions, improvements and betterments to the System.

"Costs of Issuance" shall mean those costs of issuing Bonds, including, but not limited to, legal, accounting, fiscal agent fees and expenses and other fees and expenses in connection therewith.

"Costs of Issuance Account" shall mean the account of that name created pursuant to Section 5.02 hereof.

"Depository Bank" shall mean the bank or banks to be designated as such in the Supplemental Resolution.

"DTC" shall mean The Depository Trust Company, New York, New York.

"DTC Eligible" shall mean Bonds meeting the qualifications prescribed by The Depository Trust Company, New York, New York.

"Escrow Agreement" shall mean the separate agreement between the City, the Commission and an escrow trustee, substantially in the form of the agreement attached hereto as Exhibit B and by this reference made a part hereof, relating to the refunding or defeasance of the 1986 Series A Bonds.

"Escrow Fund" shall mean the fund created by Paragraph 2 of the Escrow Agreement.

"Event of Default" shall mean any occurrence or events specified in Section 7.01 hereof.

"FDIC" shall mean the Federal Deposit Insurance Corporation or any successor to the function of the FDIC.

"Fiscal Year" shall mean each twelve month period beginning on July 1 and ending on the succeeding June 30.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Independent Accountants" shall mean any certified public accountant or firm of certified public accountants which shall be retained by the City as independent accountants for the System.

"Mayor" means the Mayor of the City.

"Net Proceeds" shall mean the face amount of the Bonds, plus accrued interest or premium, if any, less Original Issue Discount, if any, and less proceeds deposited in the Reserve Account, if any.

"Net Revenues" shall mean Revenues less Operating Expenses.

"Operating Expenses," unless qualified, shall mean the current expenses, paid or accrued, of repair, operation and maintenance of the System (excluding depreciation) and includes, without limiting the generality of the foregoing, insurance premiums, supplies, labor, wages, the cost of materials and supplies used for current operations, administrative expenses of the City or the Utility Board relating and chargeable to the System and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting practices.

"Original Purchaser" shall mean that investment banking firm or other entity designated as such in a Supplemental Resolution.

"Outstanding" when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the Registrar for such Bond at or prior to said date; (b) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.05; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the City.

"Participant" shall mean the person or entity registered as such with the Depository Trust Company.

"Paying Agent" shall mean an Paying agent for the Bonds appointed by a resolution supplemental hereto.

"Prior Bonds" or "1986 Series A Bonds" shall mean the City's Sewer Revenue Bonds, Series 1986 A, dated May 28, 1986, issued in the original principal amount of $1,402,664 and currently outstanding in the principal amount of $1,356,132.

"Prior Bonds Redemption Date" shall mean the date or dates established by a Supplemental Resolution for the redemption of the Prior Bonds.

"Prior Ordinance" shall mean the Ordinance enacted by the City Council on April 24, 1986, as amended and supplemented, authorizing the issuance of the Prior Bonds.

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

"Qualified Investments" shall mean and include any of the following:

(a) Government Obligations;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

Export - Import Bank
Farmers Home Administration
General Services Administration
U. S. Maritime Administration
Small Business Administration
Government National Mortgage Association (GNMA)
U. S. Department of Housing & Urban Development (PHA's)
Federal Housing Administration;

(c) bonds notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investor Services, Inc., issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(d) U. S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Corporation and "P-1" by Moody's Investor Services, Inc. and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Corporation and "P-1" by Moody's Investor Services, Inc. and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation; and

(g) pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of Standard & Poor's Corporation and Moody's Investor Services, Inc. or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (a) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

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

"Redemption Price" shall mean such amount as is established in a Resolution supplemental hereto.

"Refunding Bonds" or "Series 1996 A Bonds" shall mean the Waterworks and Sewer Refunding Revenue Bonds, Series 1996 A, of the City originally authorized to be issued pursuant to this Ordinance.

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Bonds, and any successor thereto.

"Regulations" shall mean temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986, as amended.

"Renewal and Replacement Fund" shall mean the fund created by Section 4.01 hereof.

"Representation Letter" shall mean the Letter Agreement among the City, DTC and the Paying Agent.

"1996 Series A Bonds Reserve Account" shall mean the account in the Sinking Fund, as hereinafter defined, created by Section 4.01 hereof.

"Reserve Account Requirement" shall mean the maximum amount of principal and interest which will mature and come due on the Bonds in the then current or any succeeding Fiscal Year.

"Revenue Fund" shall mean the fund created by Section 4.01 hereof.

"Revenues" shall mean all rates, rents, fees, charges or other income received by or accrued to the Utility Board from the operation of the System, as calculated in accordance with generally accepted accounting practices.

"Sinking Fund" shall mean the fund created by Section 4.01 hereof.

"Supplemental Resolution" shall mean any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 1996 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"System" shall mean the complete existing combined waterworks and sewerage system now owned by the City, both within and without the corporate limits of the City, consisting of a water treatment plant, pumps, distribution lines, sewage treatment plant or plants collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations and ejector stations and all other appurtenances, extensions, additions and improvements necessary, appropriate, useful, convenient or incidental to the collection, treatment and disposal in a sanitary manner of sewage and industrial wastes, and shall include any extensions, improvements and betterments thereto hereafter acquired or constructed for said combined waterworks and sewerage system from any sources whatsoever.

"Utility Board" shall mean the Utility Board of the City as now or hereafter constituted or any other agency, department or instrumentality of the City which shall at any time have jurisdiction, possession or control of the System or the management and operation thereof.

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times); the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the City in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest.

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

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

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

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

ARTICLE II

AUTHORIZATION FOR REFUNDING PRIOR BONDS

Section 2.01. Authorization for Refunding Prior Bonds. The 1986 Series A Bonds outstanding as of the date of issuance of the Series 1996 A Bonds hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the lien of said Prior Bonds imposed by the Prior Ordinance on the revenues of the System is hereby ordered terminated, discharged and released upon the payment into the Escrow Fund from the proceeds of said Series 1996 A Bonds, together with other moneys available therefor, including those moneys transferred as provided below, of the following: (a) an amount equal to the fiscal and paying agent charges, and (b) an amount which will be simultaneously invested in United States Treasury Obligations bearing interest and having maturities sufficient to provide (i) for the payment of the principal of the Prior Bonds as the same mature on each principal payment date established with respect thereto prior to the Prior Bonds Redemption Date, if any, established for such Prior Bonds, (ii) for the payment of the redemption price of the Prior Bonds outstanding on the Prior Bonds Redemption Date, if any, established for such Prior Bonds, and (iii) for the payment of the interest on the Prior Bonds as the same becomes due. Contemporaneously with the deposit of proceeds of the Series 1996 A Bonds into the Escrow Fund, and as prescribed by the Escrow Agreement, the amounts on deposit in the sinking fund created and maintained on behalf of the Prior Bonds shall be deposited into the Escrow Fund and simultaneously invested as provided in the Escrow Agreement. Upon the refunding of the Prior Bonds, the amounts on deposit in the renewal and replacement fund created and maintained under the Prior Ordinance with respect to the Prior Bonds shall be transferred to the Renewal and Replacement Fund created under this Ordinance.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Series 1996 A Bonds. For the purpose of refunding all of the outstanding 1986 Series A Bonds, there shall be issued the Sewerage System Refunding Revenue Bonds, Series 1996 A of the City. The Series 1996 A Bonds shall be in such aggregate principal amount, not to exceed $2,000,000; shall be dated such date; shall bear interest payable semiannually at such dates and at such rate or rates not exceeding the rate permitted by the Act; shall mature at such time or times, not exceeding forty (40) years after the date of issuance; and shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and as the City Council shall prescribe by Supplemental Resolutions adopted in connection with the sale of such Series 1996 A Bonds.

The Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which on the respective date of payment of principal and interest, 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 that appears on the books of the Registrar.

The Series 1996 A Bonds shall, at the option of the City, be redeemable in whole or in part, at the times, in the manner, and upon payment of the redemption prices, as provided in the Supplemental Resolutions.

The Series 1996 A Bonds shall be sold as soon as practical and in the best interests of the City, as may be authorized and permitted by applicable law, and delivered to the Original Purchaser thereof; provided, that such Original Purchaser and the City shall have agreed to the terms of the purchase thereof.

Section 3.02. Execution of Bonds. Bonds shall be executed in the name of the City by the manual or facsimile of the Mayor, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the manual or facsimile of 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 City before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.07, shall have been manually executed by the 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 Ordinance. The Certificate of Authentication and Registration on any Bond 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 3.04. Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section 3.04, the Registered Owner of all of the Bonds shall be The Depository Trust Company (hereinafter "DTC"), and the Bonds shall be registered in the name of Cede & Co. Payment of semiannual interest for any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next-day funds to the account of Cede & Co. on the interest payment date for the Bonds at the address indicated on the regular Record Date or special Record Date for Cede & Co. in the Bond Register.

(b) The City and the Bond Register may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of the Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the City nor the Bond Register shall be affected by any notice to the contrary. Neither the City nor the Bond Register shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this Ordinance; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State of West Virginia), and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal or redemption price of and interest on the Bonds

to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal or redemption price and interest pursuant to this Ordinance. Upon delivery by DTC to the City of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) In the event the City determines that it is in the best interest of the Owners that they be able to obtain Bond certificates, the City may notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event, the City shall issue and the Bond Register shall authenticate, transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City shall be obligated to deliver Bond certificates as described herein. In the event Bond certificates are issued, the provisions herein shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City to do so, the City will assist DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., all payments with respect to the principal or redemption price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter. When the City gives notices to DTC or its nominee as Bondholder, it shall request that DTC forward (or cause to be forwarded) the notices to the Participants so that such Participants may forward (or cause to be forwarded) such notices to the Owners.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Ordinance by the City with respect to any consent or other action to be taken by Bondholders, the City shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer or 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, and each successive Registered Owner, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be, and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner 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 Registrar shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the Bond Register by the Registered Owner thereof in person or by its attorney or legal representative 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 such duly authorized attorney or legal representative.

In all cases in which the privilege of exchanging Bonds or transferring the Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfer shall forthwith be canceled by the Registrar. For every such exchange or transfer of 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 said Registrar incurred in connection therewith, which changes and expenses shall be paid by the Registered Owner requesting such transfer or exchange. The Registrar shall not be obligated to make any such change or transfer of Bonds during the period beginning with the Record Date and ending on the date or, in a case of any partial redemption of Bonds during the fifteen days next preceding the date of the selection of Bonds to be redeemed.

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

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

Section 3.07. Bonds Secured by Pledge of Revenues: Not to be Indebtedness of the City. The payment of the debt service of all of the Series 1996 A Bonds shall be secured forthwith equally and ratably with each other by a second lien on the Revenues derived from the System, which lien is on a parity and is shared with the holders of the 1986 Series B Bonds, and which lien junior and subordinate to the lien securing the 1979 Bonds and the 1986 Series C Bonds. Such Revenues, in the amount sufficient to pay the principal of and interest on the 1979 Bonds, the 1986 Series C Bonds, the 1986 Series B Bonds and the Series 1996 A Bonds and to make the payments required into the respective Sinking Funds and the Reserve Accounts therefor, and the Renewal and Replacement Fund as established in the Prior Ordinance or hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the 1979 Bonds, the 1986 Series C Bonds, the 1986 Series B Bonds and the Series 1996 A Bonds as the same become due. The Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from Revenues and otherwise as provided herein. No Registered Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or the interest thereon.

Section 3.08. Notice of Redemption.

(a) The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Registration Books. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP

numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

(b) If at the time of mailing of any notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of such moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Registrar promptly shall notify the Owners of all Bonds called for redemption of such fact.

(c) Notwithstanding any other provisions herein to the contrary, the Registrar shall cause copies of any notices delivered pursuant to this Section 3.08 to be delivered to such other organizations or entities to which like notices are then delivered in accordance with industry standards.

Section 3.09 Form of Bonds. The text of the Bonds, and the form of the Certificate of Authentication and Registration thereon, shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof.

No.R-___ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MINGO
THE CITY OF WILLIAMSON
WATERWORKS AND SEWER SYSTEM
REFUNDING REVENUE BOND
SERIES 1996 A

INTEREST RATE BOND DATE MATURITY DATE CUSIP

REGISTERED OWNER:

[TAX IDENTIFICATION NUMBER]

PRINCIPAL AMOUNT: $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF WILLIAMSON, a municipal corporation organized and existing under the laws of the State of West Virginia (hereinafter referred to as the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner set forth above, on the Maturity Date set forth above, the Principal Amount set forth above and solely from such special funds also to pay interest on said sum from the Bond Date, set forth above, at the Interest

Rate set forth above semiannually, on the first day of January and the first day of July in each year, beginning _____ 1, 19____, both principal of and interest on this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America. 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 _____, West Virginia, as registrar (the "Registrar") on the 15th day of the month preceding an Interest Payment Date (the "Record Date").

This Bond is one of a series of bonds (the "Bonds"), in the aggregate principal amount of $_____, of like date and of like tenor and effect, except as to number, date of maturity and interest rate, issued to refund certain sewerage system revenue bonds of the City outstanding on the date of issuance hereof in the aggregate principal amount of $1,3356,132 (the "1986 Series A Bonds"), all 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 13, Article 2E, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly passed by the City Council on the ___ day of _____, 19__ as supplemented by resolution adopted on the ___ day of _____, 19___, (hereinafter referred to collectively as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

The Bonds are not subject to optional redemption prior to _____ 1, ___. At the option of the City, the Bonds will be subject to redemption prior to maturity on or after _____ 1, ___. as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During which Redeemed	Redemption Price
_____ 1, __ through _____, __	102%
_____ 1, __ through _____, __	101%
_____ 1, __ and thereafter	100%

The Bonds maturing on _____, and _____, respectively ("Term Bonds"), are subject to annual mandatory redemption prior to maturity by random selection in accordance with the requirements of the Ordinance at the principal amount thereof plus interest accrued to the date fixed for redemption, on _____ 1 of each of the years and in the principal amounts set forth below:

TERM BONDS		TERM BONDS	
Year	Principal Amount	Year	Principal Amount

The Bonds are payable only from and are secured by a shared second lien, on a parity with the holders of the 1986 Series B Bonds, and junior and subordinate to the lien securing the 1979 Bonds and the 1986 Series C Bonds, on the revenues to be derived from the operation of the combined waterworks and sewerage system of the City (the "System"), which is under the supervision and control of the Utility Board of the City, and the sinking fund held by the West Virginia Municipal Bond Commission, including the reserve account therein. Said revenues

shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the City within any constitutional or statutory provision or limitation, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the revenues from the operation of the System or said reserve account. By the Ordinance, the City has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System so as to always provide revenues at least sufficient to provide for all reasonable expenses of repair, maintenance and operation of the System and leave a balance each year equal to at least one hundred twenty-five percent (125%) of the maximum annual amount required to pay the interest on and principal of the Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds, as the same become due and accomplish retirement of the Bonds and all bonds prior to or on a parity therewith for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered. Payments required by the 1979 Bonds and the 1986 Series C Bonds constitute a first charge upon all the net revenues of the System, and the payments required by the 1986 Series B Bonds and the 1996 Series A Bonds constitute a second charge upon such net revenues. The City has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney or legal representative duly authorized in writing.

Subject to registration requirements, 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 moneys received from the sale of the Bonds shall be applied solely to refund the 1986 Series A Bonds, and to pay other costs in connection therewith, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said Bonds.

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

All provisions of the Ordinance 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.

This Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under the Ordinance unless and until the Certificate of Authentication and Registration attached hereto shall have been manually executed by the Bond Registrar.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by its Mayor, attested by its City Clerk and its corporate seal to be imprinted hereon, all as of the Bond Date.

THE CITY OF WILLIAMSON, WEST VIRGINIA

_____
Mayor

[SEAL]

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the City of Williamson Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 A described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Date: _____

_____
as Registrar

By _____

Its Authorized Officer

[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 said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Application of System Revenues. So long as any of the Bonds shall be outstanding and unpaid, the City covenants with the holders of the Bonds as follows:

A. The entire Revenues derived from the operation of the System and all parts thereof shall be deposited by the City in a special fund in the Depository Bank, which fund, to be designated the "Waterworks and Sewer System Revenue Fund" (the "Revenue Fund"), is hereby established. 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 City and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) Thereafter the City pay such amounts as are required to be paid on account of the 1979 Bonds and the 1986 Series C Bonds, as provided in the ordinances authorizing the issuance of such bonds.

(3) Thereafter, from the moneys in the Revenue Fund, the City shall, on the first day of each month, commencing with and including the first day of that month which is seven months prior to the first interest payment date of the 1996 Series A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on the Bonds on the next ensuing semiannual interest payment date; provided, however, that, in the event the period to elapse between said initial payment date and the next semiannual interest payment date is less than seven (7) months, then such monthly payments shall be increased proportionately to provide the required amount of interest payable on the next semiannual interest payment date one month prior to said date.

The City shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in said Sinking Fund, on the first day of each month, beginning on the first day of that month which is thirteen (13) months prior to the first principal payment date of the 1996 Series A Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on the 1996 Series A Bonds on the next ensuing principal payment date. The City shall also, at the same time, remit to the Commission for deposit in the Sinking Fund a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on the 1986 Series B Bonds on the next ensuing principal payment date for such bonds.

The City shall also, from the Revenue Fund, remit to the Commission on such dates or at such other times, as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the 1996 Series A Bonds and the interest thereon and for paying the 1986 Series B Bonds.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the 1996 Series A Bonds and principal of the 1986 Series B Bonds as the same shall become due.

The City shall not be required to make any further payments into the 1996 Series A Bonds Sinking Fund on account of the Series 1996 A Bonds when the aggregate amount of funds in the 1996 Series A Bonds Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

The City shall not be required to make any further payments into the 1986 Series B Bonds Sinking Fund on account of the 1986 Series B Bonds when the aggregate amount of funds in the 1986 Series B Bonds Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of the 1986 Series B Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1996 A Bonds herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the principal of and interest on such additional parity Bonds and accomplish retirement thereof at or before maturity.

The payments into the 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.

(4) (a) Then from the moneys remaining in the Revenue Fund, the City shall next, each month, pay into the 1996 Series A Bonds Reserve Account an amount necessary to make up any deficiency in the 1996 Series A Bonds Reserve Account Requirement, resulting from (i) the valuation of investments in the 1996 Series A Bonds Reserve Account which results in a determination that the amount of moneys and the Value of the Qualified Investments deposited to the credit of the 1996 Series A Bonds Reserve Account is less than the 1996 Series A Bonds Reserve Account Requirement, or (ii) withdrawals from the 1996 Series A Bonds Reserve Account, for deposit into the Sinking Fund, beginning with the first full calendar month following the event described in either clause (i) or (ii) above. Provided, that in no event shall the amount deposited into the 1996 Series A Bonds Reserve Account in any month be less than, in the event the deficiency in the 1996 Series A Bonds Reserve Account Requirement is due to a decrease in the value of the Qualified Investments therein in excess of 10% of such amount, an amount equal to 1/4th of the amount of such deficiency, and otherwise, an amount equal to 1/12th of the amount of the deficiency in the 1996 Series A Bonds Reserve Account determined as set forth in clause (ii) above and the amount then withdrawn from the 1996 Series A Bonds Reserve Account, as described in clause (ii) above (it being understood that any such 1/12th payment shall be made in such amount for 12 consecutive months unless the amount in the 1996 Series A Bonds Reserve Account shall have been made equal to the 1996 Series A Bonds Reserve Account Requirement prior to such twelfth consecutive month); and provided further, that no payments shall be required to be made into the 1996 Series A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the 1996 Series A Bonds Reserve Account Requirement.

(b) At the same time the City shall pay into the 1986 Series B Bonds Reserve Account established for the 1986 Series B Bonds an amount necessary to make up any deficiency in the 1986 Series B Bonds Reserve Account Requirement with respect to the 1986 Series B Bonds, resulting from (i) the valuation of investments in such 1986 Series B Bonds Reserve Account which results in a determination that the amount of moneys and the Value of the Qualified Investments deposited to the credit of such 1986 Series B Bonds Reserve Account is less than the 1986 Series B Bonds Reserve Account Requirement for the 1986 Series B Bonds, or (ii) withdrawals from such 1986 Series B Bonds Reserve Account, for deposit into the Sinking Fund, beginning with the first full calendar month following the event described in either clause (i) or (ii) above. Provided, that in no event shall the amount deposited into the 1986 Series B Bonds Reserve Account for the 1986 Series B Bonds in any month be less than, in the event the deficiency in the 1986 Series B Bonds Reserve Account Requirement is due to a decrease in the value of the Qualified Investments therein in excess of 10% of such amount, an amount equal to 1/4th of the amount of such deficiency, and otherwise, an amount equal to 1/12th of the amount of the deficiency in such 1986 Series B Bonds Reserve Account determined as set forth in clause (ii) above and the amount then withdrawn from the 1986 Series B Bonds Reserve Account, as described in clause (ii) above (it being understood that any such 1/12th payment shall be made in such amount for 12 consecutive months unless the amount in the 1986 Series B Bonds Reserve Account shall have been made equal to the 1986 Series B Bonds Reserve Account Requirement prior to such twelfth consecutive month); and provided further, that no payments shall be required to be made into the 1986 Series B Bonds Reserve Account for the 1986 Series B Bonds whenever and as long as the amount deposited therein shall be equal to the 1986 Series B Bonds Reserve Account Requirement for the 1986 Series B Bonds.

(5) Thereafter, from the moneys remaining in said Revenue Fund, the City shall next, on the first day of each month commencing with the first month in which interest shall be payable from the Revenue Fund, remit to the Depository Bank for deposit in a special depreciation account, to be designated the "Renewal and Replacement Fund," which account is hereby established and created, a sum equal to two and one-half percent (2 1/2%) of the Revenues each month, exclusive of any payments for the account of the 1996 Series A Bonds Reserve Account in the Sinking Fund. All funds in said Renewal and Replacement Fund shall be kept apart from all other municipal funds and shall be invested and reinvested, at the direction of the City, in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance and the need for such moneys for the purposes set forth below. So long as the City is making payment into any renewal and replacement fund, depreciation fund or similar fund created with respect to the 1979 Bonds, the 1986 Series C Bonds or the 1986 Series B Bonds, payments into the Renewal and Replacement Fund described above shall not be required.

Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, enlargements, emergency repairs, improvements and extensions to the System; provided, that any deficiency occurring in the Reserve Accounts shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) Whenever all of the required and provided transfers and payments from said 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 for operating expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus Revenues. Said surplus revenues shall be first used for the acquisition and construction of extensions, improvements and betterments to the System, and, thereafter, to the extent not needed for such purposes, may be used to purchase Bonds upon the open market at not exceeding the then applicable redemption price or to call and redeem the Bonds on the next succeeding interest payment date or for any lawful purpose of the System.

(7) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

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

C. The moneys on deposit in the Revenue Fund and the Renewal and Replacement Fund (unless remitted to the Commission) in excess of the sum insured by the maximum amounts insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or such other obligations as shall be eligible as security for deposits of State and municipal funds under the laws of the State of West Virginia.

D. The Commission shall invest the funds which it holds pursuant to this Ordinance, including the 1996 Series A Bonds Reserve Account in the Sinking Fund, to the fullest possible extent so that all moneys shall be invested for the maximum possible period consistent with the tenor hereof.

E. Anything to the contrary herein notwithstanding, when the aggregate sum in the Sinking Fund, including the 1996 Series A Bonds Reserve Account therein, is sufficient to pay and redeem all the Bonds Outstanding and all interest accrued and to accrue thereon and any applicable redemption premiums, the City shall cause all the Bonds to be paid or called and redeemed at the earliest practicable date permitted, pursuant to the provisions hereof as to redemption of Bonds.

ARTICLE V

APPLICATION OF SERIES 1996 A BOND PROCEEDS

Section 5.01. Application of the Series 1996 A Bond Proceeds: Other Funds of the City.

A. All accrued interest received from the Original Purchaser of the Series 1996 A Bonds shall be deposited in the Sinking Fund and used to pay the next maturing interest on the Series 1996 A Bonds.

B. The amount of the Series 1996 A Bond proceeds necessary, together with such funds of the City as are made available by the defeasance of the 1986 Series A Bonds, to refund the Prior Bonds, which amount shall be set forth in the Supplemental Resolution, shall be applied by the City pursuant to the provisions of the Escrow Agreement.

C. The remaining moneys derived from the sale of the Series 1996 A Bonds shall be deposited by the City in the Costs of Issuance Account.

Section 5.02. 1996 Series A Bond Reserve Account. From the moneys made available to the City as a result of the defeasance of the 1986 Series A Bonds, the City shall remit to the Commission such funds as are necessary to fund the 1996 Series A Bonds Reserve Account to the 1996 Series A Bonds Reserve Account Requirement.

Section 5.03. Costs of Issuance Account. There is hereby created and established at the Depository Bank a special fund to be known as the "The City of Williamson Series 1996 A Bonds Costs of Issuance Account," which account shall be kept separate and apart from all other funds of the City, and disbursed upon requisition by the City to pay Costs of Issuance approved by the Authorized Officer. The moneys in said account shall be secured at all times by the deposit in such bank, as security, of Government Obligations having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the City in the Sinking Fund.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. General Covenants of the City. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Ordinance, the City 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 City. The Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the revenues of the System, or from the Reserve Account, as herein provided. No holder or holders of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds or the interest thereon.

Section 6.04. Rates. Prior to the issuance of the Bonds, just and equitable 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 copies of such rates and charges so fixed and established shall at all times be kept on file in the office of the Utility Board and in the office of the City Clerk, each of 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 and accounts created hereunder. Such schedule of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be at least sufficient to provide for all reasonable operating expenses of the System and leave a balance each year equal to at least one hundred twenty-five percent (125%) of the maximum annual amount required to pay the interest on and principal of the Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds, including, without limitation, the 1979 Bonds, the 1986 Series C Bonds and the 1986 Series B Bonds, as the same become due and accomplish retirement of all Bonds for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered. To the extent permitted by law, all such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

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

Section 6.06. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Bonds Outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Sinking Fund, and the City shall direct the Commission to apply such proceeds to the payment of principal and interest at the maturity of Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price, of all other outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the City by the Commission unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of ten thousand dollars ($10,000), the Utility Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the City Council may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of ten thousand dollars ($10,000) but not in excess of one hundred thousand dollars ($100,000), the Utility Board shall first, in writing, determine with the written approval of a consulting engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the City Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of ten thousand dollars ($10,000) and not in excess of one hundred thousand dollars ($100,000), shall be remitted by the City to the Commission for deposit in the Sinking Fund and shall be applied only to the redemption of Bonds of the last maturities then Outstanding or to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the redemption price of such Bonds. Such payments of such proceeds into the 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 Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of one hundred thousand dollars ($100,000) and insufficient to pay or redeem prior to maturity all the Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of Bonds then Outstanding. The City shall prepare the form of such approval and consent for execution by the then Holders of the Bonds, for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable out of Revenue and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever,

except pari passu additional Bonds provided for in Section 6.08 hereof, payable from the Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such Revenues with the Bonds; and all obligations hereafter issued by the City payable from the Revenues of the System, except such additional Bonds shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Revenues and in all other respects to the Bonds.

The City shall not create, or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said pari passu additional Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No additional parity Bonds, as in this Section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No parity bonds shall be issued which shall be payable from the revenues of the System prior to or on a parity with the 1979 Bonds or the 1986 Series C Bonds. All parity bonds issued hereunder shall be on a parity with the 1986 Series B Bonds and the 1996 Series A Bonds.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, improvements and betterments to the System or refunding the entirety of one or more series of Bonds issued pursuant hereto, or both such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent 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, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional parity Bonds, shall not be less than one hundred twenty-five percent (125%) of the maximum annual amount which will mature and become due for principal of and interest in any succeeding year on the following:

(1) The 1979 Bonds then Outstanding;

(2) The 1986 Series C Bonds then Outstanding;

(3) The 1986 Series B Bonds then Outstanding;

(4) The Series 1996 A Bonds then Outstanding;

(5) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(6) The additional 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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such additional 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 additional parity Bonds, adjusted as provided in the following paragraph.

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 the Independent Accountants as stated in a certificate jointly made and signed by a consulting engineer and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such additional parity Bonds.

Not later than simultaneously with the delivery of such additional parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such additional parity Bonds.

The term "additional parity Bonds," as used in this Section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this Section, payable from the Revenues of the System on a parity with the 1986 Series B Bonds and the Series 1996 A Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the 1986 Series B Bonds and the Series 1996 A Bonds and the Holders of any additional parity Bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Revenues of the System, and their source of and security for payment from said Revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds created in this Ordinance required for and on account of such additional Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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

No additional parity Bonds, as in this Section defined, shall be issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance on account of 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 the additional parity Bonds.

The City may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 6.09. Insurance. The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The City will require that each of its contractors and all subcontractors maintain, during the life of any construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in this Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System.

Section 6.10. Mandatory Connections. 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.

Section 6.11. Consulting Engineer. The City will retain a recognized, qualified independent consulting engineer on a biannual basis to supervise generally the operation, maintenance and repair of the System and to report biannually to the City in writing their recommendations and comments as to the System. Such biannual report of a consulting engineer, or a summary thereof, shall be made available at reasonable times to any Bondholder requesting the same.

Section 6.12. Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself or herself 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 City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.13. Enforcement of Collections. The City will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. To the extent permitted by law, all such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services or facilities of the System, or a part thereof, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The City further covenants and agrees that it will, to the full extent permitted by law, and any rules and regulations Promulgated by the Public Service Commission of West Virginia applicable thereto, discontinue and shut off the sewerage services and facilities of the System and in the event the City owns a water facility (the "Water System"), the Water System to all delinquent users of the services and facilities of the System, and will not

restore either water or sewerage services of the System or the Water System until all delinquent charges for the service and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 6.14. No Competing Franchise. To the extent allowed by law, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.15. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, 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 Ordinance shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow currently accepted accounting practices in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the City. The City 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 City shall be reported to the City.

The City shall file with a consulting engineer and the Original Purchaser within 120 days following the end of each Fiscal Year, and shall mail in each year to any Bondholder requesting the same, an annual report containing the following:

A. A statement of Revenues and Operating Expenses from the System.

B. A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance, and the status of all said funds.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Bondholder, and shall file said report with the Original Purchaser.

Section 6.16. Initial Schedule of Rates. The rates, fees and other charges for the use of the services and facilities of the System established under an ordinance of the City enacted on or before the date of the adoption or enactment of a resolution or ordinance adopted or enacted in connection with the sale of the Series 1996 A Bonds as provided herein shall constitute the initial schedule of rates for the System for purposes of this Ordinance.

Section 6.17. Operating Budget. The Utility Board shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 Utility Board shall have approved such finding and

recommendation by a resolution 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 City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to any Bondholder who shall file his or her address with the City and request in writing that copies of any such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

Section 6.18. Existence of Utility Board. The management, operation and control of the System will be vested in the Utility Board, or some other separate successor agency of the City, during the period in which any Bonds issued hereunder are Outstanding.

Section 6.19. Public Purpose Bonds. The System will be solely operated for a public purpose and as a local governmental activity of the City.

Section 6.20. Private Activity Bonds. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City 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 Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

Section 6.21. Filings. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

Section 6.22. Right to Amend. The City retains the right to make any amendments, insertions or deletions by Supplemental Resolutions of this Ordinance as the City deems desirable or necessary prior to the issuance of the Bonds, including but not limited to amendments, insertions or deletions to comply with the Code. Notwithstanding the provisions of Section 9.01 hereof, the City through City Council shall without consent of the Registered Owners of the Bonds amend or supplement this Ordinance by resolutions supplemental hereto or any amendatory ordinance to comply with the Code if such amendment or supplement is necessary to preserve the tax exempt status of the Bonds. In making their determination to amend or supplement this Ordinance, the City Council may rely on the opinion of a nationally recognized bond counsel.

The City also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of this Ordinance as the City deems necessary prior to the issuance of the Bonds to meet the requirements of the Original Purchaser.

Section 6.23. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent and the Registered Owners of the Bonds.

Section 6.24. Designation of Bank Eligibility. The Series 1996 A Bonds are hereby designated as a "qualified tax-exempt obligations" for the purposes of Section 265(b) of the

Internal Revenue Code of 1986, as amended. The City hereby represents that it and all subordinate entities do not reasonably anticipate to issue, during the calendar year 1996, qualified tax-exempt obligations in excess of $10,000,000.

Section 6.25. Continuing Disclosures. This Section 6.25 constitutes the written undertaking for the benefit of the owners of the Bonds required by the Securities and Exchange Commission Rule 15c2-12 (the "Rule").

The City, as an "obligated person" within the meaning of the Rule, undertakes to provide the information as required by the Rule. The City covenants to provide, as long as the Bonds remain Outstanding the following information:

(1) "Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP") or operating data with respect to the type included in those sections of the final official statement with respect to the Series 1996 A Bonds upon request by any person or at least annually to a state information depository ("SID"), if any.

(2) "Material Event" means the following events: (a) principal and interest payment delinquencies; (b) non payment related defaults; (c) unscheduled draws on debt service reserves, if any, reflecting financial difficulties; (d) scheduled draws on credit enhancements, if any, or their failure to perform; (e) substitution of credit or liquidity providers, if any, or their failure to perform; (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (g) modifications to rights of Bondholders; (h) bond calls; (i) defeasances; (j) releases, substitution or sale of property securing payment of the Bonds; or (k) rating changes.

The City covenants to file with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") or to the Municipal Securities Rulemaking Board ("MSRB") and each SID, if any, in a timely manner a notice of occurrence of any of the above mentioned events with respect to the Bonds, if the City has knowledge of such event. If a Material event occurs while any Bonds are Outstanding, the City shall provide a Material Event Notice which states the material event and shall prominently state the date, title and CUSIP numbers of the Bonds.

Termination of Reporting Obligation. The City's obligations under the continuing disclosure requirements of this Section 6.25 shall terminate upon (a) the legal defeasance, prior redemption or payment in full of all of the Bonds or (b) the assumption by a successor obligated person of all of the obligations of the prior obligated person both hereunder and under the Bonds.

Amendments. Notwithstanding any other provision of this Ordinance, the City may modify or amend this Section 6.25 if the following preconditions are satisfied: (a) the amendment is being made in connection with a change of circumstances that arises form a change in legal requirements, change in law, change in the identity, nature or status of the City; (b) this Ordinance, as amended, would have complied with the requirements of the Rule as of the date of issuance of the relevant Bonds, after taking into account any amendment or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially adversely affect the interests of Holders of Bonds. A written opinion of Bond Counsel to the effect that these requirements have been satisfied shall conclusively evidence compliance with the above preconditions. The City shall disclose in the next Annual Report the amendment and its impact on the information being provided.

Defaults. In the event of a failure of the City to comply with any provision of this Section 6.25, the Original Purchaser or any Bondholder may take such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order to cause the City to comply with its obligations under this Section 6.25 shall not be deemed an Event of Default, and the sole remedy under this Ordinance in the event of any failure of the City to comply with this Section 6.25 shall be an action to compel performance, provided, however, that nothing in this Ordinance shall limit any Holder's rights under applicable federal securities law.

ARTICLE VII

DEFAULTS AND REMEDIES

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

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

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Ordinance, the Supplemental Resolution or in the Bonds and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Depository Bank holding any fund or account hereunder or a Registered Owner of a Bond; or

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

Section 7.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and in particular (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the City to perform its duties under the Act and this Ordinance 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 City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Ordinance with respect to the Bonds, or the rights of such Registered Owners.

Upon the occurrence of an Event of Default, the Commission may, and shall, at the direction of 51% of the Bondholders, by written notice to the City, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Ordinance or in the Bonds to the contrary notwithstanding.

Section 7.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the City under this Ordinance and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof and performing any construction necessary for the System. If there be any default in the payment of

interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in this Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice of the City of such default, any Registered Owner shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and any interest thereon, the deposits into the funds and accounts herein provided and the payment of operating expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his 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 City exercise all the rights and powers of the City with respect to said facilities as the City itself might do.

Whenever all that is due upon the Bonds issued and authorized pursuant to this Ordinance 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 City upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of Bonds issued pursuant to this Ordinance 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 City and for the joint protection and benefit of the City and Registered Owners of Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the City and Registered Owners, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage, or otherwise dispose of any assets of the Systems.

ARTICLE VIII

INVESTMENT OF FUNDS; NON-ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission or the Depository Bank, as the case may be, at the direction of the City 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.

Except as otherwise provided, 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 used for the purpose of such fund or account. The interest accruing thereof and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The determination of the Value of the investments shall be made once a month. The Commission or the Depository Bank, 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 shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any account is insufficient to make the payments required from such fund or account, regardless of the loss of such liquidation. Such Depository Bank may make any and all investments permitted by this Section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Section 8.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 1996 A Bonds in such manner and to such extent as may be necessary, in view of the City s reasonable expectations at the time of issuance of the Series 1996 A Bonds, so that the Series 1996 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the 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 Series 1996 A Bonds) so that the interest on the Series 1996 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the holders of two-thirds (2/3) or more in principal amount of the Bonds then outstanding; provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the revenues of the System without the consent of the Holder thereof. No amendment or modification shall be made which would reduce the percentage or modification of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 9.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 9.03. Covenant of Due Procedure. The City 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 final enactment and passage of this Ordinance do exist, have happen, 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 City Council were at all times when any

actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such office.

Section 9.04. Defeasance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of net revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay, as and when due, the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. All Bonds shall, prior to the maturity or redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given the Commission, in form satisfactory to it, irrevocable instructions to publish as provided herein notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Commission 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 Commission at the same or earlier time, shall be sufficient, to pay when due the principal of and redemption premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date of maturity date thereof, as the case may be, and an opinion of nationally recognized bond counsel to the effect that such action will not adversely effect the exclusion of the interest on the Bonds from gross income for federal income tax purposes and a verification from an Independent Accountant of the sufficiency of the amounts described in clause (b) for their intended purpose, and (c) in the event said Bonds are not by their terms subject to redemption, or are otherwise not to be redeemed by the City, within the next succeeding sixty (60) days, the City shall have given the Commission in form satisfactory to it irrevocable instructions to publish, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Commission and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, interest on, and redemption premium, if applicable, on said Bonds. Neither securities nor moneys deposited with the Commission pursuant to this Section nor principal or interest payments on any such securities shall be held in trust for, the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if applicable, on and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this Section, securities shall mean and include only Government Obligations.

Section 9.05. Effective Date. This Ordinance shall take effect after passage, public hearing and otherwise in the manner prescribed by law.

Section 9.06. 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 _____, which is a qualified newspaper of general circulation in the City of Williamson, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the 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 the 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.

Passed on First Reading - May 23, 1996

Passed on Second Reading - June 13, 1996

Passed on Final Reading Following Public Hearing - June 27, 1996

Mayor

City Recorder

CERTIFICATION

The undersigned, **FRANCES FRYE, CITY CLERK** for the City of Williamson, West Virginia, does hereby certify that the foregoing is a true and correct copy of the Refunding Bond Ordinance passed on First Reading at a regular meeting of Council on May 23, 1996; passed on Second Reading at meeting of Council on June 13, 1996; and passed on Final Reading following Public Hearing held on June 27, 1996.

DATED this 6th day of November, 1996.

FRANCES FRYE

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

Taken, subscribed, and sworn to before me, the undersigned Notary Public, within and for the County and State aforesaid on this 6th day of November, 1996.

My Commission as Notary Public will expire on the 18th day of March, 2002.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHERINE SMITH
CITY OF WILLIAMSON
107 E. FOURTH AVE., BOX 1517
WILLIAMSON, WV 25661
My Commission Expires March 18, 2002

NOTARY PUBLIC

THE CITY OF WILLIAMSON

SUPPLEMENTAL RESOLUTION

Supplemental Resolution providing for the dates, maturities, interest rates, principal payment schedules, sale prices and other terms of the Water and Sewer System Refunding Revenue Bonds, Series 1996 A, designating a registrar, paying agent and depository bank, approving the sale of the Sewerage System Refunding Revenue Bonds, Series 1996 A pursuant to a Bond Purchase Agreement and making other provisions as to such Bonds.

WHEREAS, the City Council of The City of Williamson (the "Issuer"), on June 13, 1996, enacted an Ordinance, all as more fully set out therein; (said Ordinance is hereinafter referred to as the "Ordinance"); and

WHEREAS, the Ordinance provides for the issuance of Water and Sewer System Refunding Revenue Bonds, Series 1996 A (the "Series 1996 A Bonds"), of the Issuer in aggregate principal amounts not to exceed $2,000,000, all in accordance with Chapter 8, Article 20A of the Code of West Virginia, 1931, as amended (the "Act"), and further provides that the dates, interest rates, maturities, sale prices and other terms of and matters relating to, the Series 1996 A Bonds should be established by supplemental resolution; and

WHEREAS, the Series 1996 A Bonds are proposed to be sold to the Original Purchasers (as defined in the Ordinance) pursuant to a Bond Purchase Agreement (the "Purchase Agreement"); and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance; and

WHEREAS, the Governing Body of the Issuer deems it essential and desirable that this resolution (the "Supplemental Resolution"), be adopted and that the prices, the maturity dates, the redemption provisions, the interest rates, and the interest and principal payment dates of the Series 1996 A Bonds be fixed hereby in the manner stated herein, that the Purchase Agreement be approved, that distribution of the Preliminary Official Statement shall be ratified and approved, that the Official Statement shall be approved, and that other matters relating to the Bonds be herein provided for.

NOW THEREFORE, be it resolved by the City Council of The City of Williamson as follows:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewerage System Refunding Revenue Bonds, Series 1996 A, in the aggregate principal amount of $1,840,000 (the "Series 1996 A Bonds"), all in the form set forth in the Ordinance:

(A) The Series 1996 A Bonds of the Issuer shall be originally issued in the book-entry form of a single bond for each year of maturity, numbered consecutively AR-1 and upwards, shall be in the aggregate principal amount of $1,840,000. The Series 1996 A Bonds shall be dated as of October 1, 1996, and shall mature on each October 1, bear interest per annum and be subject to optional and mandatory sinking fund redemption, all as set forth on Schedule X attached hereto.

(B) The Series 1996 A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. Interest on the Series 1996 A Bonds is payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by United National Bank, Charleston, West Virginia, as registrar (the "Registrar"), for the registration and transfer of bonds (the "Register") as of the fifteenth (15th) day of the month preceding such interest payment date or, in the event of a default in the payment of the Series 1996 A Bonds, that special record date to be fixed by the Registrar by notice given to the owners not less than 10 days prior to said special record date (the "Record Date") or, if requested, in the case of such an owner of $1,000,000 or more in principal amount of Series 1996 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to the Record Date by such owner. Principal of and premium, if any, on the Series 1996 A Bonds is payable to the owner thereof upon surrender thereof at the principal corporate trust department office of the Registrar, as paying agent (the "Paying Agent").

(C) The proceeds of the Series 1996 A Bonds shall be deposited as follows:

(1) $1,652,258.05 of such proceeds, which is hereby found to be the amount necessary, with other available funds, to refund the Series 1986 A Bonds which are being refunded from such proceeds shall be deposited into the Escrow Fund established under the Escrow Agreement,

(2) $9,774.00 of such proceeds, representing accrued interest on the Series 1996 A Bonds from October 1, 1996, to the date of delivery thereof to the Original Purchasers shall be deposited into the Sinking Fund, and

(3) $98,653.95 of such proceeds shall be deposited into the Costs of Issuance Account and used to pay Costs of Issuance, in the event any moneys remain in the Costs of Issuance Account on January 15, 1997, such moneys shall be transferred to the Sinking Fund.

(D) The sale of the Series 1996 A Bonds to Wheat, First Securities, Inc., who are hereby designated as the Original Purchasers of the Series 1996 A Bonds, and the Purchase Agreement dated October 21, 1996, in the form attached to this Resolution as Exhibit A are hereby approved. The Mayor is authorized and directed to execute and deliver the Bond Purchase Agreement with such changes and insertions as he may approve. The Mayor's signature on such Agreement shall be conclusive evidence of such approval.

(E) The Issuer hereby ratifies and approves the distribution of a Preliminary Official Statement dated September 30, 1996, with respect to the Series 1996 A Bonds, attached to this Resolution as Exhibit B. The Issuer further authorizes and approves the execution and delivery of the Official Statement dated October 21, 1996, in the form attached hereto as Exhibit C, and hereby authorizes and directs the Mayor to execute the same and deliver the Official Statement to the Original Purchasers.

(F) The Issuer authorizes and directs the West Virginia Municipal Bond Commission to transfer the moneys held in the sinking fund and reserve account for the Series 1986 A Bonds to Bank One, West Virginia, National Association, as Escrow Trustee.

Section 3. Except as herein provided, all other provisions relating to the Series 1996 A Bonds shall be as provided in the Ordinance, and the Series 1996 A Bonds shall be in substantially the form provided in the Ordinance with such changes, insertions and omissions as may be approved by the Mayor of the Issuer. The execution of the Series 1996 A Bonds by the Mayor shall be conclusive evidence of such approval.

Section 4. The Issuer hereby determines that the bank currently serving as the Depository Bank for the Water and Sewer Revenue Fund shall continue in that capacity.

Section 5. The Issuer hereby appoints and designates Bank One, West Virginia, National Association, Charleston, West Virginia, as Registrar for the Bonds.

Section 6. The Issuer hereby appoints and designates Bank One, West Virginia, National Association, as Paying Agent for the Bonds.

Section 7. The Issuer hereby appoints and designates Bank One, West Virginia, National Association, as the escrow trustee for the Series 1986 A Bonds being refunded with the proceeds of the Series 1996 A Bonds.

Section 8. The Issuer does hereby find and determine that the amount of bonds, other than private activity bonds which it anticipates issuing during calendar year 1996 shall not exceed $10,000,000 and therefore the Issuer hereby designates the Series 1996 A Bonds as "qualified-tax-exempt obligations" for purposes of Section 265(b) of the Code.

Section 9. The Issuer hereby establishes October 1, 2001, as the Prior Bonds Redemption Date with respect to the Series 1986 A Bonds being refunded with the proceeds of the Series 1996 A Bonds.

Section 10. The Mayor and the Clerk or Recorder of the Issuer are hereby authorized and directed to execute and deliver such other documents and certificates, including the Registrar's Agreement and the Letter of Representations with The Depository Trust Company, required or desirable in connection with the Series 1996 A Bonds in order for the Series 1996 A Bonds to be delivered to the Original Purchasers pursuant to the Purchase Agreement.

Section 11. The Issuer shall not permit at any time or times any of the proceeds of the Series 1996 A 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 Code, by reason of the classification of the Series 1996 A Bonds as "private activity bonds" within the meaning of the Code. It will take all actions necessary to comply with the Code, including the Treasury Regulations to be promulgated thereunder.

Section 12. The refunding of the Series 1986 A Bonds, in part with proceeds of the Series 1996 A Bonds is hereby found and determined to be in the public interest, serve a public purpose of the Issuer and promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby approves the execution and delivery of the Tax Regulatory Agreement substantially in the form attached to this Resolution as Exhibit D and authorizes and directs the Mayor to execute said agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Tax Regulatory Agreement by the Mayor shall be conclusive evidence of such approval. The Issuer hereby specifically agrees to be bound by the provisions of the Tax Regulatory Agreement relating to rebate required by the Code.

Section 14. The following definitions are added to the Ordinance as if incorporated therein in the first instance:

"AMBAC Indemnity" shall mean AMBAC Indemnity Corporation, a Wisconsin-domiciled stock insurance company.

"Municipal Bond Insurance Policy" shall mean the municipal bond insurance policy issued by AMBAC Indemnity insuring the payment, when due, of the principal and interest on the Bonds as provided therein.

"Outstanding" when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the Registrar for such Bond at or prior to said date; (b) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.05; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Provided that in the event the principal and /or interest due on any Bond is paid by AMBAC Indemnity under the Municipal Bond Insurance Policy, such Bond shall be deemed to remain Outstanding for all purposes until actually paid by the Issuer.

"Qualified Investments" shall mean and include any of the following:

(a) Government Obligations;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

Export - Import Bank
Farm credit System Financial Assistance Corporation
Farmers Home Administration
General Services Administration
U. S. Maritime Administration
Small Business Administration
Government National Mortgage Association (GNMA)
U. S. Department of Housing & Urban Development (PHA's)
Federal Housing Administration;

(c) senior debt obligations "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investor Services, Inc., issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years. Senior debt obligations of other Government Sponsored Agencies approved by AMBAC Indemnity.

(d) U. S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Corporation and "P-1" by Moody's Investor Services, Inc. and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Corporation and "P-1" by Moody's Investor Services, Inc. and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation;

(g) pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on the escrow account or fund, in the highest rating category of Standard & Poor's Corporation and Moody's Investor Services, Inc. or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (a) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on

such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) investment agreements approved in writing by AMBAC Indemnity [supported by appropriate opinions of counsel] with notice to S&P; and

(i) other forms of investments (including repurchase agreements) approved in writing by AMBAC Indemnity with notice to S&P.

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times); the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest; and

(d) as to any investment not specified above, the value thereof established by prior agreement between the Issuer, the Commission and AMBAC Indemnity.

Section 15. Section 3.08 of the Ordinance is amended and reenacted to read as follows:

Section 3.08. Notice of Redemption.

(a) The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to AMBAC Indemnity and to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Registration Books. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for

redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

(b) If at the time of mailing of any notice of redemption the Issuer shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of such moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Registrar promptly shall notify the Owners of all Bonds called for redemption of such fact.

(c) Notwithstanding any other provisions herein to the contrary, the Registrar shall cause copies of any notices delivered pursuant to this Section 3.08 to be delivered to such other organizations or entities to which like notices are then delivered in accordance with industry standards.

Section 16. Section 3.09 of the Ordinance is amended and reenacted to read as follows:

Section 3.09 Form of Bonds.

The text of the Bonds, and the form of the Certificate of Authentication and Registration thereon, shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any subsequent resolution or Resolution adopted or enacted prior to the issuance thereof.

No. AR-___ $

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MINGO
THE CITY OF WILLIAMSON
WATER AND SEWER SYSTEM
REFUNDING REVENUE BOND
SERIES 1996 A

INTEREST RATE BOND DATE MATURITY DATE CUSIP

REGISTERED OWNER:

[TAX IDENTIFICATION NUMBER]

PRINCIPAL AMOUNT: $

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF WILLIAMSON, a municipal corporation and a political subdivision of the State of West Virginia (hereinafter referred to as the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner set forth above, on the Maturity Date set forth above, the Principal Amount set forth above and solely from such special funds also to pay interest on said sum from the Bond Date, set forth above, at the Interest Rate set forth above semiannually, on the first day of April and the first day of October in each year, beginning _____ 1, 19____, both principal of and interest on this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America. 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 _____, as registrar (the "Registrar") on the 15th day of the month preceding an Interest Payment Date (the "Record Date").

Municipal Bond Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by AMBAC Indemnity Corporation ("AMBAC Indemnity"). The Policy has delivered the United States Trust Company of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee of any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may secured from AMBAC Indemnity or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of AMBAC Indemnity as more fully set forth in the Policy.

This Bond is one of a series of bonds (the "Bonds"), in the aggregate principal amount of $_____, of like date and of like tenor and effect, except as to number, date of maturity and interest rate, issued to refund certain sewerage system revenue bonds of the Issuer outstanding on the date of issuance hereof in the aggregate principal amount of $1,356,132 (the "1986 Series A Bonds"), all 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 13, Article 2E, of the Code of West Virginia, 1931, as amended (the "Act"), and an Ordinance duly enacted by the Governing Body of the Issuer on the 13th day of June, 1996, as supplemented by resolution adopted on the ___ day of _____, 19___, (hereinafter referred to collectively as the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution 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 Resolution.

The Bonds are not subject to optional redemption prior to _____ 1, ___. At the option of the Issuer, the Bonds will be subject to redemption prior to maturity on or after _____ 1, ___. as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During which Redeemed	Redemption Price
_____ 1, __ through _____, __	102%
_____ 1, __ through _____, __	101%
_____ 1, __ and thereafter	100%

The Bonds maturing on _____, and _____, respectively ("Term Bonds"), are subject to annual mandatory redemption prior to maturity by random selection in accordance with the requirements of the Resolution at the principal amount thereof plus interest accrued to the date fixed for redemption, on _____ 1 of each of the years and in the principal amounts set forth below:

TERM BONDS		TERM BONDS	
Year	Principal Amount	Year	Principal Amount

The Bonds are payable only from and are secured by a shared second lien, on a parity with the holders of the 1986 Series B Bonds, and subordinate to the Series 1979 Bonds and the 1986 Series C Bonds, on the revenues to be derived from the operation of the combined water and sewer system of the Issuer (the "System"), which is under the supervision and control of the Utility Board of the Issuer, and the sinking fund held by the West Virginia Municipal Bond Commission, including the reserve account therein. Said revenues shall be sufficient to pay the

principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the revenues from the operation of the System or said reserve account. By the Resolution, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System so as to always provide revenues at least sufficient to provide for all reasonable expenses of repair, maintenance and operation of the System and leave a balance each year equal to at least one hundred twenty-five percent (125%) of the maximum annual amount required to pay the interest on and principal of the Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds, as the same become due and accomplish retirement of the Bonds and all bonds on a parity therewith for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered. Such required payments shall constitute a first charge upon all the net revenues of the System. The Issuer has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to the Resolution. Remedies provided the holders of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney or legal representative duly authorized in writing.

Subject to registration requirements, 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 moneys received from the sale of the Bonds shall be applied solely to refund the 1986 Series A Bonds, and to pay other costs in connection therewith, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said Bonds.

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

All provisions of the Resolution 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.

This Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under the Resolution unless and until the Certificate of Authentication and Registration attached hereto shall have been manually executed by the Bond Registrar.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor, attested by its Recorder and its corporate seal to be imprinted hereon, all as of the Bond Date.

THE CITY OF WILLIAMSON

_____

Mayor

[SEAL]

ATTEST:

_____

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of The City of Williamson Water and Sewer System Refunding Revenue Bonds, Series 1996 A described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Date: _____

as Registrar

By _____
Its Authorized Officer

[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 said Bond on the books kept for registration of the within Bond of said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

_____

Section 17. Section 4.01 of the Ordinance is amended and reenacted to read as follows:

Section 4.01. Application of System Revenues.

So long as any of the Bonds shall be outstanding and unpaid, the Issuer covenants with the holders of the Bonds as follows:

So long as the Series 1979 Bonds and the 1986 Series C Bonds are outstanding, the revenues of the System, shall be used first as specified in the Ordinances authorizing the issuance of those bonds, and then as specified below. When such bonds are no longer outstanding the following shall apply:

A. The entire Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in a special fund in the Depository Bank, which fund, to be designated the "Water and Sewer System Revenue Fund" (the "Revenue Fund"), is hereby established. 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 used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) Thereafter, from the moneys in the Revenue Fund, the Issuer shall, on the first day of each month, commencing with and including the first day of that month which is seven months prior to the first interest payment date of said Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on the 1996 Series A Bonds on the next ensuing semiannual interest payment date; provided, however, that, in the event the period to elapse between said initial payment date and the next semiannual interest payment date is less than seven (7) months, then such monthly payments shall be increased proportionately to provide the required amount of interest payable on the next semiannual interest payment date one month prior to said date.

The Issuer shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in said Sinking Fund, on the first day of each month, beginning on the first day of that month which is thirteen (13) months prior to the first principal payment date of the 1996 Series A Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on the 1996 Series A Bonds on the next ensuing principal payment date. The Issuer shall also, at the same time, remit to the Commission for deposit in the Sinking Fund a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on the 1986 Series B Bonds on the next ensuing principal payment date for such bonds. In the event there is insufficient money in the Revenue Fund to make the deposits required by this paragraph, then the Issuer shall make such deposits in the prorata manner.

The Issuer shall also, from the Revenue Fund, remit to the Commission on such dates or at such other times, as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the 1996 Series A Bonds and the interest thereon and for paying the 1986 Series B Bonds.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the 1996 Series A Bonds and principal of the 1986 Series B Bonds as the same shall become due.

Notwithstanding any other provision of this Resolution, the Commission or the Issuer [as appropriate] shall immediately notify AMBAC Indemnity if at any time there are insufficient moneys to make any payment of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.

The Issuer shall not be required to make any further payments into said Sinking Fund on account of the Series 1996 A Bonds when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of 1996 Series A Bonds issued pursuant to this Resolution then Outstanding, plus the amount of interest due or thereafter to become due on the 1996 Series A Bonds then Outstanding.

The Issuer shall not be required to make any further payments into said Sinking Fund on account of the 1986 Series B Bonds when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of the 1986 Series B Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1996 A Bonds herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the principal of and interest on such additional parity Bonds and accomplish retirement thereof at or before maturity.

The payments into the 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 Resolution.

(3) (a) Then from the moneys remaining in the Revenue Fund, the Issuer shall next, each month, pay into the Reserve Account an amount necessary to make up any deficiency in the Reserve Account Requirement, resulting from (i) the valuation of investments in the Reserve Account which results in a determination that the amount of moneys and the Value of the Qualified Investments deposited to the credit of the Reserve Account is less than the Reserve Account Requirement, or (ii) withdrawals from the Reserve Account, for deposit into the Sinking Fund, beginning with the first full calendar month following the event described in either clause (i) or (ii) above. Provided, that in no event shall the amount deposited into the Reserve Account in any month be less than, in the event the deficiency in the Reserve Account Requirement is due to a decrease in the value of the Qualified Investments therein in excess of 10% of such amount, an amount equal to 1/4th of the amount of such deficiency, and otherwise, an amount equal to 1/12th of the amount of the deficiency in the Reserve Account determined as set forth in clause (ii) above and the amount then withdrawn from the Reserve Account, as described in clause (ii) above (it being understood that any such 1/12th payment shall be made in such amount for 12

consecutive months unless the amount in the Reserve Account shall have been made equal to the Reserve Account Requirement prior to such twelfth consecutive month); and provided further, that no payments shall be required to be made into the Reserve Account whenever and as long as the amount deposited therein shall be equal to the Reserve Account Requirement.

(b) At the same time the Issuer shall pay into the Reserve Account established for the 1986 Series B Bonds an amount necessary to make up any deficiency in the Reserve Account Requirement with respect to the 1986 Series B Bonds, resulting from (i) the valuation of investments in such Reserve Account which results in a determination that the amount of moneys and the Value of the Qualified Investments deposited to the credit of such Reserve Account is less than the Reserve Account Requirement for the 1986 Series B Bonds, or (ii) withdrawals from such Reserve Account, for deposit into the Sinking Fund, beginning with the first full calendar month following the event described in either clause (i) or (ii) above. Provided, that in no event shall the amount deposited into the Reserve Account for the 1986 Series B Bonds in any month be less than, in the event the deficiency in the Reserve Account Requirement is due to a decrease in the value of the Qualified Investments therein in excess of 10% of such amount, an amount equal to 1/4th of the amount of such deficiency, and otherwise, an amount equal to 1/12th of the amount of the deficiency in such Reserve Account determined as set forth in clause (ii) above and the amount then withdrawn from the Reserve Account, as described in clause (ii) above (it being understood that any such 1/12th payment shall be made in such amount for 12 consecutive months unless the amount in the Reserve Account shall have been made equal to the Reserve Account Requirement prior to such twelfth consecutive month); and provided further, that no payments shall be required to be made into the Reserve Account for the 1986 Series B Bonds whenever and as long as the amount deposited therein shall be equal to the Reserve Account Requirement for the 1986 Series B Bonds.

(4) Thereafter, from the moneys remaining in said Revenue Fund, the Issuer shall next, on the first day of each month commencing with the first month in which interest shall be payable from the Revenue Fund, remit to the Depository Bank for deposit in a special depreciation account, to be designated the "Renewal and Replacement Fund," which account is hereby established and created, a sum equal to two and one-half percent (2½%) of the Revenues each month, exclusive of any payments for the account of the Reserve Account in the Sinking Fund. All funds in said Renewal and Replacement Fund shall be kept apart from all other municipal funds and shall be invested and reinvested, at the direction of the Issuer, in Qualified Investments to the fullest extent possible under applicable laws, this Resolution and the need for such moneys for the purposes set forth below.

Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, enlargements, emergency repairs, improvements and extensions to the System; provided, that any deficiency occurring in the Reserve Accounts shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(5) Whenever all of the required and provided transfers and payments from said 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 for operating expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus Revenues. Said surplus revenues shall be first used for the acquisition and construction of extensions, improvements and betterments to the System, and, thereafter, to the extent not needed for such purposes, may be used to purchase Bonds upon the open market at not exceeding the then applicable redemption price or to call and redeem the Bonds on the next succeeding interest payment date or for any lawful purpose of the System.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

B. The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, as provided in Article V hereof, 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.

C. The moneys on deposit in the Revenue Fund and the Renewal and Replacement Fund (unless remitted to the Commission) in excess of the sum insured by the maximum amounts insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or such other obligations as shall be eligible as security for deposits of State and municipal funds under the laws of the State of West Virginia.

D. The Commission shall invest the funds which it holds pursuant to this Ordinance, including the Reserve Account in the Sinking Fund, to the fullest possible extent so that all moneys shall be invested for the maximum possible period consistent with the tenor hereof.

E. Anything to the contrary herein notwithstanding, when the aggregate sum in the Sinking Fund, including the Reserve Account therein, is sufficient to pay and redeem all the Bonds Outstanding and all interest accrued and to accrue thereon and any applicable redemption premiums, the Issuer shall cause all the Bonds to be paid or called and redeemed at the earliest practicable date permitted, pursuant to the provisions hereof as to redemption of Bonds.

Section 18. The following Section 4.02 is added to the Ordinance:

Section 4.02. Payment Procedure Pursuant to the Municipal Bond Insurance Policy.

As long as the Municipal Bond Insurance Policy shall be in full force and effect, the Issuer and the Commission agree to comply with the following provisions:

(a) at least one (1) day prior to all Interest Payment Dates the Commission will determine whether there will be sufficient funds in the funds and accounts to pay the

principal of or interest on the Bonds on such Interest Payment Date. If the Commission determines that there will be insufficient funds in such funds and accounts, the Commission shall so notify AMBAC Indemnity. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest or both. If the Commission has not so notified AMBAC Indemnity at one (1) day prior to an Interest Payment Date, AMBAC Indemnity will make the payments of principal or interest due on the Bonds on or before the first 1st day next following the date on which AMBAC Indemnity shall have received notice of nonpayment from the Commission.

(b) the Registrar and the Commission, as applicable, shall, after giving notice to AMBAC Indemnity as provided in (a) above, make available to AMBAC Indemnity and, at AMBAC Indemnity's direction, to the United States Trust Company of New York, as insurance trustee for AMBAC Indemnity or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Registrar and all records relating to the funds and accounts maintained under this Ordinance.

(c) the Registrar shall provide AMBAC Indemnity and the Insurance Trustee with a list of registered owners of Bonds entitled to receive principal or interest payments from AMBAC Indemnity under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from AMBAC Indemnity and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the registered owners of the Bonds entitled to receive full or partial principal payments from AMBAC Indemnity.

(d) the Commission shall, at the time it provides notice to AMBAC Indemnity pursuant to (a) above, notify the registered owners of the Bonds entitled to receive payment of principal and interest thereon from AMBAC Indemnity (i) as to the fact of such entitlement, (ii) that AMBAC Indemnity will remit to them all of a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal form AMBAC Indemnity, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of AMBAC Indemnity) for payment to the Insurance Trustee, and not to the Commission, and (iv) that should they be entitled to receive a partial payment of principal from AMBAC Indemnity, they must surrender their Bonds for payment thereon first to the Commission, who shall note on such Bond the portion of the principal paid by the Commission, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of the principal.

(e) in the event that the Commission has notice that any payment of principal of or interest on a Bond which has become due for payment and which is made to the Bondholder by or on behalf of the Issuer has deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Commission shall, at the time AMBAC Indemnity is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from AMBAC Indemnity to the extent of such recovery if sufficient funds are not otherwise available, and the Commission shall furnish to AMBAC Indemnity its records evidencing payments of principal of and interest on the Bonds which have been made by the Commission and subsequently recovered against registered owners and the dates on which such payments were made.

(f) in addition to the rights granted to AMBAC Indemnity under this Ordinance, AMBAC Indemnity shall, to the extent it makes payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar or the Commission shall note AMBAC Indemnity's rights as subrogee in the registration books of the Issuer maintained by the Registrar upon receipt from AMBAC Indemnity of proof of the payment of thereon to the registered owners of the Bonds, and (ii) in the case of the subrogation as to claims for past due principal, the Registrar or Commission shall note AMBAC Indemnity's rights as subrogee on the registration books of the Issuer maintained by the Registrar, upon surrender of the Bonds by the registered owners thereof together with proof of the payment of the principal thereof.

Section 19. Section 6.15 of the Ordinance is hereby amended and reenacted to read as follows:

Section 6.15. Books and Records.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any holder of a Bond or Bonds issued pursuant to this Ordinance 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 currently accepted accounting practices in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to the Issuer.

The Issuer shall file with the consulting engineer, the Original Purchaser and AMBAC Indemnity within 120 days following the end of each Fiscal Year, and shall mail in each year to any Bondholder requesting the same, an annual report containing the following:

A. A statement of Revenues and Operating Expenses from the System.

B. A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance, and the status of all said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Bondholder, and shall file said report with AMBAC Indemnity and the Original Purchaser.

The Issuer will permit AMBAC Indemnity to discuss the affairs, finances and accounts of the Issuer or any information AMBAC Indemnity may reasonably request regarding security for the Bonds with appropriate officers of the Issuer. The Issuer will permit AMBAC Indemnity to have access to the System and have access to and make copies of all books and records relating to the Bonds at any reasonable time.

AMBAC Indemnity shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within 30 days after receipt of written notice of direction from AMBAC Indemnity shall be deemed a default hereunder; provided, however, that if compliance cannot occur with such time period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Bonds.

Section 20. Section 6.17 of the Ordinance is hereby amended and reenacted to read as follows:

Section 6.17. Operating Budget.

The Utility Board shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt, by Resolution, a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 Utility Board shall have approved such finding and recommendation by a resolution 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 mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to AMBAC Indemnity and any Bondholder who shall file his or her address with the Issuer and request in writing that copies of any such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

Section 21. Section 6.21 of the Ordinance is hereby amended and reenacted to read as follows:

Section 6.21. Right to Amend.

The Issuer retains the right to make any amendments, insertions or deletions by Supplemental Resolutions of this Ordinance as the Issuer deems desirable or necessary prior to the issuance of the Bonds, including but not limited to amendments, insertions or deletions to comply with the Code. Notwithstanding the provisions of Section 9.01 hereof, the Issuer shall without consent of the Registered Owners of the Bonds amend or supplement this Ordinance by resolutions supplemental hereto or any amendatory Resolution to comply with the Code if such amendment or supplement is necessary to preserve the tax exempt status of the Bonds. In making their determination to amend or supplement this Ordinance, the Issuer may rely on the opinion of a nationally recognized bond counsel.

The Issuer also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of this Ordinance as the Issuer deems necessary prior to the issuance of the Bonds to meet the requirements of the Original Purchaser or AMBAC Indemnity.

Any provision of this Ordinance expressly recognizing or granting rights in or to AMBAC Indemnity may not be amended in any manner which affects the rights of AMBAC Indemnity hereunder without the prior written consent of AMBAC Indemnity.

Unless otherwise provided in this Section, AMBAC Indemnity's consent shall be required, in addition to Bondholder consent, when required, for the following purposes: (i) adoption or enactment of any supplemental Resolution or any amendment, supplement, change to or modification hereof; (ii) removal of the Paying Agent and the selection and appointment of a successor paying agent; and (iii) the initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

Section 22. Section 6.22 of the Ordinance is hereby amended and reenacted to read as follows:

Section 6.22. Parties Interested Herein.

Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Paying Agent, AMBAC

Indemnity and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent, AMBAC Indemnity and the Registered Owners of the Bonds.

Section 23. The following Section 6.22a is hereby added to the Ordinance:

Section 6.22a. AMBAC Indemnity As Third Party Beneficiary.

To the extent this Ordinance confers upon or gives or grants to AMBAC Indemnity any right, remedy or claim under or by reason of this Ordinance, AMBAC Indemnity is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 24. Section 6.24 of the Ordinance is hereby amended and reenacted to read as follows:

Section 6.24. Continuing Disclosures.

This Section 6.24 constitutes the written undertaking for the benefit of the owners of the Bonds required by the Securities and Exchange Commission Rule 15c2-12 (the "Rule").

The Issuer, as an "obligated person" within the meaning of the Rule, undertakes to provide the information as required by the Rule. The Issuer covenants to provide, as long as the Bonds remain Outstanding the following information:

(1) "Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP") or operating data with respect to the type included in those sections of the final official statement with respect to the Series 1996 A Bonds upon request by any person or at least annually to a state information depository ("SID"), if any.

(2) "Material Event" means the following events: (a) principal and interest payment delinquencies; (b) non payment related defaults; (c) unscheduled draws on debt service reserves, if any, reflecting financial difficulties; (d) scheduled draws on credit enhancements, if any, or their failure to perform; (e) substitution of credit or liquidity providers, if any, or their failure to perform; (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (g) modifications to rights of Bondholders; (h) bond calls; (i) defeasances; (j) releases, substitution or sale of property securing payment of the Bonds; or (k) rating changes.

The Issuer covenants to file with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") or to the Municipal Securities Rulemaking Board ("MSRB"), each SID, if any, and AMBAC Indemnity in a timely manner a notice of occurrence

of any of the above mentioned events with respect to the Bonds, if the Issuer has knowledge of such event. If a Material event occurs while any Bonds are Outstanding, the Issuer shall provide a Material Event Notice which states the material event and shall prominently state the date, title and CUSIP numbers of the Bonds.

Termination of Reporting Obligation. The Issuer's obligations under the continuing disclosure requirements of this Section 6.24 shall terminate upon (a) the legal defeasance, prior redemption or payment in full of all of the Bonds or (b) the assumption by a successor obligated person of all of the obligations of the prior obligated person both hereunder and under the Bonds.

Amendments. Notwithstanding any other provision of this Ordinance, the Issuer may modify or amend this Section 6.24 if the following preconditions are satisfied: (a) the amendment is being made in connection with a change of circumstances that arises form a change in legal requirements, change in law, change in the identity, nature or status of the Issuer; (b) this Ordinance, as amended, would have complied with the requirements of the Rule as of the date of issuance of the relevant Bonds, after taking into account any amendment or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially adversely affect the interests of Holders of Bonds. A written opinion of Bond Counsel to the effect that these requirements have been satisfied shall conclusively evidence compliance with the above preconditions. The Issuer shall disclose in the next Annual Report the amendment and its impact on the information being provided.

Defaults. In the event of a failure of the Issuer to comply with any provision of this Section 6.24, the Original Purchaser or any Bondholder may take such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order to cause the Issuer to comply with its obligations under this Section 6.24 shall not be deemed an Event of Default, and the sole remedy under this Ordinance in the event of any failure of the Issuer to comply with this Section 6.24 shall be an action to compel performance, provided, however, that nothing in this Ordinance shall limit any Holder's rights under applicable federal securities law.

Section 25. Section 7.01 of the Ordinance is hereby amended and reenacted to read as follows:

Section 7.01. Events of Default.

A. Each of the following events shall constitute an "Event of Default" with respect to the Bonds.

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

(B) 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, the 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 Depository Bank holding any fund or account hereunder or a Registered Owner of a Bond; or

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

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to AMBAC Indemnity. In the event of any reorganization or liquidation, AMBAC Indemnity shall have the right to vote on behalf of all bondholders who hold AMBAC Indemnity-insured bonds absent a default by AMBAC Indemnity under the Municipal Bond Insurance Policy insuring such Bonds.

Section 26. Section 7.02 of the Ordinance is hereby amended and reenacted to read as follows:

Section 7.02. Remedies.

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

Upon the occurrence of an Event of Default, the Commission may, with the consent of AMBAC Indemnity, and shall, at the direction of AMBAC Indemnity or 51% of the Bondholders with the consent of AMBAC Indemnity, by written notice to the Issuer and AMBAC Indemnity, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Ordinance or in the Bonds to the contrary notwithstanding.

Anything in the this Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, AMBAC Indemnity shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Commission for the benefit of the Bondholders under this Ordinance, including, without limitation: (i) the right to accelerate the principal of the Bonds as described in this Ordinance, and (ii) the right to annul any declaration of acceleration, and AMBAC Indemnity shall also be entitled to approve all waivers of Events of Default.

Section 27. Section 9.04 of the Ordinance is hereby amended and reenacted to read as follows:

Section 9.04. Defeasance.

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of net revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay, as and when due, the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. All Bonds shall, prior to the maturity or redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given the Commission, in form satisfactory to it, irrevocable instructions to publish as provided herein notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Commission 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 Commission at the same or earlier time, shall be sufficient, to pay when due the principal of and redemption premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date of maturity date thereof, as the case may be, and an opinion of nationally recognized bond counsel to the effect that such action will not adversely effect the exclusion of the interest on the Bonds from gross income for federal income tax purposes and a verification from an Independent Accountant of the sufficiency of the amounts described in clause (b) for their intended purpose, and (c) in the event said Bonds are not by their terms subject to redemption, or are otherwise not to be redeemed by the Issuer, within the next succeeding sixty (60) days, the Issuer shall have given the Commission in form satisfactory to it irrevocable instructions to publish, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Commission and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, interest on, and redemption premium, if applicable, on said Bonds. The Commission shall also notify AMBAC Indemnity that the Bonds have been defeased. Neither securities nor moneys deposited with the Commission pursuant to this Section nor principal or interest payments on any such securities shall be held in trust for, the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal

of and redemption premium, if applicable, on and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this Section, securities shall mean and include only Government Obligations.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by AMBAC Indemnity pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Net Revenues and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of AMBAC Indemnity, and AMBAC Indemnity shall be subrogated to the rights of such registered owners.

Section 28. This Supplemental Resolution shall be effective immediately upon adoption.

Adopted this 21st day of October, 1996.

Mayor

City Clerk

SCHEDULE X

AMOUNTS, MATURITY SCHEDULE AND INTEREST RATE

MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE	PRICE
October 1, 1997	30,000.00	3.80	100.00
October 1, 1998	30,000.00	4.10	100.00
October 1, 1999	30,000.00	4.30	100.00
October 1, 2000	35,000.00	4.45	100.00
October 1, 2001	35,000.00	4.55	100.00
October 1, 2002	35,000.00	4.70	100.00
October 1, 2003	40,000.00	4.80	100.00
October 1, 2004	40,000.00	4.90	100.00
October 1, 2005	40,000.00	5.00	100.00
October 1, 2006	45,000.00	5.10	100.00
October 1, 2007	45,000.00	5.25	100.00
October 1, 2008	50,000.00	5.30	100.00
October 1, 2009	50,000.00	5.40	100.00
October 1, 2010	55,000.00	5.45	100.00
October 1, 2025	1,280,000.00	5.75	96.49

A. Optional Redemption

The Series 1996 A Bonds are not subject to optional redemption prior to October 1, 2006. At the option of the Issuer, the Series 1996 A Bonds will be subject to redemption prior to maturity on or after October 1, 2006, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption.

Period During which Redeemed	Redemption Price
October 1, 2006 through September 30, 2007	102%
October 1, 2007 through September 30, 2008	101%
October 1, 2008 and thereafter	100%

B. Mandatory Redemption

The Series 1996 A Bonds maturing on October 1, 2025, ("2025 Term Bonds"), are subject to annual mandatory redemption prior to maturity by random selection in accordance with the requirements of the Bond Ordinance at the principal amount thereof plus interest accrued to the date fixed for redemption, on October 1 of each of the years and in the principal amounts set forth below:

2025 TERM BONDS

Year	Principal Amount
2011	55,000.00
2012	60,000.00
2013	65,000.00
2014	65,000.00
2015	70,000.00
2016	75,000.00
2017	80,000.00
2018	85,000.00
2019	90,000.00
2020	90,000.00
2021	95,000.00
2022	105,000.00
2023	110,000.00
2024	115,000.00
2025 (final maturity)	120,000.00

C E R T I F I C A T I O N

The undersigned, **FRANCES FRYE,** City Clerk for the City of Williamson, West Virginia, does hereby certify that the foregoing is a true and correct copy of the Supplemental Resolution to Bond Refunding Ordinance as adopted at the Second Meeting of October of the City Council of Williamson, West Virginia, held in the Council Chambers on October 21, 1996, at 3:30 p.m.

DATED this 6th day of November, 1996.

Frances Frye

FRANCES FRYE
CITY CLERK

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

I, **KATHERINE SMITH,** a Notary Public, do hereby certify that **FRANCES FRYE,** City Clerk of the City of Williamson, West Virginia, whose name is subscribed to the foregoing Certification, bearing date the 6th day of November, 1996, has this day, before me and my said County and State, duly acknowledged said writing to be her act and deed as said City Clerk.

GIVEN under my hand on this 6th day of November, 1996.

I further certify that my Commission as Notary Public will expire on the 18th day of March, 1996.

Katherine Smith

NOTARY PUBLIC

(NOTARIAL SEAL)

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHERINE SMITH
CITY OF WILLIAMSON
107 E. FOURTH AVE., BOX 1517
WILLIAMSON, WV 25661
My Commission Expires March 18, 2002

RESOLUTION OF THE CITY OF WILLIAMSON APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED SEWER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the City of Williamson, has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Sewer Project funded by the United States Department of Agriculture (USDA) and find as follows:

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

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

Vendor	Total	USDA
Heartland Publications	100.52	100.52
Steptoe & Johnson (Bond Counsel)	18,500.00	18,500.00
EL Robinson	90,000.00	90,000.00
Steptoe & Johnson (Local Counsel)	8,400.00	8,400.00
Total	117,000.52	117,000.52

ADOPTED BY the City of Williamson, at the meeting held on the 25th day of June, 2009

By: _____
Its: Mayor

By: _____
USDA Representative

Date: 6/30/09

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