TOWN OF BARRACKVILLE

SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND); AND SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

Table of Contents

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE SERIES 2008 A BONDS

Section 2.01	Authorization of Acquisition and Construction of the Project
Section 2.02	Authorization of Payment of the Series 2008 A Bonds

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

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost

Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds
Section 3.09	Delivery of Bonds
Section 3.10	Form of Bonds
	FORM OF SERIES 2010 A BOND
	FORM OF SERIES 2010 B BOND
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement and Bond Purchase Agreement
Section 3.12	Filing of Amended Schedule

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

ARTICLE VI
APPLICATION OF BOND PROCEEDS

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

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds
Section 7.04	Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	No Free Services

Section 7.15 Insurance and Construction Bonds
Section 7.16 Mandatory Connections
Section 7.17 Completion of Project; Permits and Orders
Section 7.18 Compliance with the Loan Agreement and Bond Purchase Agreement and the Law
Section 7.19 Reserved
Section 7.20 Securities Law Compliance
Section 7.21 Contracts; Change Orders; Public Releases
Section 7.22 Statutory Mortgage Lien

ARTICLE VIII
INVESTMENT OF FUNDS

Section 8.01 Investments
Section 8.02 Certificate as to Use of Proceeds

ARTICLE IX
DEFAULT AND REMEDIES

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

ARTICLE X
PAYMENT OF BONDS

Section 10.01 Payment of Series 2010 A Bonds
Section 10.02 Payment of Series 2010 B Bonds

ARTICLE XI
MISCELLANEOUS

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

TOWN OF BARRACKVILLE
BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF BARRACKVILLE OF NOT MORE THAN $4,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $3,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT AND BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13, Chapter 22C, Article 2 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments

and improvements for the existing public sewerage system of the Issuer, consisting of separation of the combined sanitary and stormwater sewer system, installation of new sewer lines and the rehabilitation of sewage pumping stations, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer, which constitute properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (collectively, the "Project") (the existing public sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of the Sewerage System Design Revenue Bond, Series 2008 A (West Virginia Water Development Authority), dated June 6, 2008, issued in the original aggregate principal amount of $396,000 (the "Series 2008 A Bonds").

D. The Series 2008 A Bonds were issued pursuant to an Ordinance of the Issuer previously enacted for such purpose (such resolution, as amended and supplemented is herein called the "Series 2008 A Bonds Ordinance").

E. It is deemed necessary and desirable for the Issuer to pay the Series 2008 A Bonds.

F. The Issuer intends to pay the Series 2008 A Bonds and permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council") and the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

G. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than $7,500,000 in two or more series (collectively, the "Series 2010 Bonds"), initially planned to be (i) the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $4,000,000 (the "Series 2010 A Bonds"); and (ii) the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in the aggregate principal amount of not more than $3,500,000 (the "Series 2010 B Bonds"), to pay the Series 2008 A Bonds, to permanently finance a portion of the costs of acquisition and construction of the Project and pay costs of issuance thereof. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2010 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2010 Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other

expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acqnisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interests of the Issuer that its Series 2010 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the Council, and its Series 2010 B Bonds be sold to the Authority pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), all in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

J. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894 (the "Series 1985 A Bonds"); and (ii) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379 (the "Series 1987 A Bonds"). There are also outstanding obligations of the Issuer which will be junior and subordinate to the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the Issuers: (i) Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106 (the "Series 1985 B Bonds"); and Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621 (the "Series 1987 B Bonds"). The Series 1985 A Bonds, the Series 1987 A Bonds, the Series 1985 B Bonds, and the Series 1987 B Bonds may be hereinafter collectively referred to as the "Prior Bonds".

The Series 2010 Bonds shall be issued on a parity with the Series 1985 A Bonds and the Series 1987 A Bonds, and senior and prior to the Series 1985 B Bonds and the Series 1987 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2010 Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 1985 A Bonds and Series 1987 A Bonds are met, (b) the written consent of the registered owners of the Series 1985 A Bonds and Series 1987 A Bonds to the issuance of the Series 2010 Bonds on a parity with the Series 1985 A Bonds

and Series 1987 A Bonds and (c) the written consent of the Holders of the Series 1985 B Bonds and Series 1987 B Bonds to the issuance of the Series 2010 Bonds senior and prior to the Series 1985 B Bonds and Series 1987 B Bonds. After payment of the Series 2008 A Bonds, other than the Prior Bonds, the Issuer has no other bonds, notes, or other obligations secured by or payable from revenues or assets of the System.

K. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Issuer's Prior Bonds, and the Series 2010 Bonds and to make payments into all funds and accounts and other payments provided for herein.

L. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement and Bond Purchase Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the West Virginia Water Pollution Control Revolving Fund Program and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia.

M. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2010 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2010 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13, Chapter 22C, Article 2 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2010 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" means the Sanitary Board of the Issuer.

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

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

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

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2010 B Bonds from the Issuer by the Authority, the forms of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Bonds" means, collectively, the Series 2010 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith or senior to the Series 1985 B Bonds and the Series 1987 B Bonds subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2010 Bonds for all or a portion of the proceeds of the Series 2010 Bonds from the Council and the DEP.

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

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

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

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

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

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

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

"Depository Bank" means the bank designated as such by resolution of the Board.

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

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

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

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

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

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

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

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

"Loan Agreement" means individually or collectively, the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2010 A Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

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

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

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

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

paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

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

"Prior Bonds" means, collectively, the Series 1985 A Bonds, the Series 1985 B Bonds, the Series 1987 A Bonds, and the Series 1987 B Bonds.

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

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must

be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

"Recorder", means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2010 Bonds.

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

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

"Series 1985 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894.

"Series 1985 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106.

"Series 1987 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379.

"Series 1987 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379.

"Series 2008 A Bonds" means the Sewerage System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated June 6, 2008, issued in the original aggregate principal amount of $396,000.

"Series 2008 A Bonds Ordinance" means the ordinance of the Issuer, as supplemented, authorizing the Series 2008 A Bonds.

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

"Series 2010 A Bonds" means the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current year; provided however, that as debt service increases, the Series 2010 A Bonds Reserve Requirement shall increase to reflect the maximum amount of principal and interest in the then current year.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2010 B Bonds" means the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2010 B Bonds Reserve Account" means the Series 2010 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 B Bonds in the then current year; provided however, that as debt service increases, the Series 2010 B Bonds Reserve Requirement shall increase to reflect the maximum amount of principal and interest in the then current year.

"Series 2010 B Bonds Sinking Fund" means the Series 2010 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2010 Bonds Construction Trust Fund" means the Series 2010 Bonds Construction Trust Fund established by Section 5.01 hereof.

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

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement for the Series 2010 B Bonds.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2010 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Gross Revenues not required by the Bond Legislation or the Prior Ordinance to be set aside and held for the payment of or security for

the Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

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

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE SERIES 2008 A BONDS

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $8,214,302, 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 2010 A Bonds and the Series 2010 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Council, the Anthority and the DEP.

The cost of the Project is estimated not to exceed $8,214,302, of which an amount not to exceed $4,000,000 will be obtained from proceeds of the Series 2010 A Bonds, and an amount not to exceed $3,500,000will be obtained from proceeds of the Series 2010 B Bonds, and $714,302 will be obtained from a grant from the West Virginia Infrastructure Fund.

Section 2.02. Authorization of Payment of the Series 2008 A Bonds. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and the interest on the Series 2008 A Bonds on the Closing Date. The cost of which will be paid from the proceeds of the Series 2010 A Bonds. Upon payment in full of the Series 2008 A Bonds, any funds pledged in favor of the holders of the Series 2008 A Bonds imposed by the Series 2008 A Bonds Ordinance are hereby ordered terminated, discharged and released.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2010 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2010 Bonds of the Issuer. The Series 2010 Bonds shall be issued in two series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund)", in the principal amount of not more than $4,000,000, and "Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)," in the principal amount of not more than $3,500,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2010 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement and Bond Purchase Agreement. The Series 2010 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2010 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2010 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2010 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2010 Bonds shall cease to be such officer of the Issuer before the Series 2010 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2010 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2010 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2010 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2010 Bonds are exercised, all Series 2010 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2010 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2010 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2010 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2010 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1985 A Bonds and the Series 1987 A Bonds, and senior and prior to the Series 1985 B Bonds and the Series 1987 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2010 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2010 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 Bonds to the original purchasers;

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

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

E. The unqualified approving opinions of bond counsel on the Series 2010 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2010 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2010 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2010, the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2010.

This Bond is issued (i) to pay the Issuer's Sewerage System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority) (the "Series 2008 A Bonds"); (ii) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is

issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2010, and a Supplemental Resolution duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $618,894 (THE "SERIES 1985 A BONDS"), (ii) SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,379 (THE "SERIES 1987 A BONDS"), AND (iii) THE SERIES 2010 B BONDS, DATED _____, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2010 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $308,106, (THE "SERIES 1985 B BONDS"), AND (ii) SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $24,621 (THE "SERIES 1987 B BONDS").

THE SERIES 1985 A BONDS, THE SERIES 1987 A, THE SERIES 1985 B AND THE SERIES 1987 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1985 A Bonds, the Series 1987 A Bonds and the Series 2010 B Bonds, and senior and prior to the Series 1987 B Bonds and the Series 1985 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 A Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Series 2010 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the

Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Series 2010 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2010 A Bonds including the Prior Bonds and the Series 2010 B Bonds; provided however, that, so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2010 A Bonds, including the Series 2010 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been

pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date:_____, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

(FORM OF SERIES 2010 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2010, the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20_____ to and including _____, 20 _____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority, and the DEP, dated _____, 2010.

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

"System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2010, and a Supplemental Resolution duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $618,894 (THE "SERIES 1985 A BONDS"), (ii) SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,379 (THE "SERIES 1987 A BONDS"), AND (iii) THE SERIES 2010 A BONDS, DATED _____ ___, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2010 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $308,106, (THE "SERIES 1985 B BONDS"), AND (ii) SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $24,621 (THE "SERIES 1987 B BONDS").

THE SERIES 1985 A BONDS, THE SERIES 1987 A, THE SERIES 1985 B AND THE SERIES 1987 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1985 A Bonds, the Series 1987 A Bonds and the Series 2010 A Bonds, and senior and prior to the Series 1987 B Bonds and the Series 1985 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 B Bonds (the "Series 2010 B Bonds Reserve Account"), and unexpended proceeds of the Series 2010 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an

indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 B Bonds Reserve Account and unexpended proceeds of the Series 2010 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 B Bonds including the Series 2010 A Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2010 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2010 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____

Mayor

ATTEST:

_____

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

_____

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20_____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement and Bond Purchase Agreement. The Series 2010 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the respective Loan Agreement and Bond Purchase Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the respective Loan Agreement and Bond Purchase Agreement in the forms attached hereto as "EXHIBIT A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement and Bond Purchase Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acqnisition and construction of the Project, the Issner will file with the Council and the Authority a schedule for the Series 2010 A Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2010 B Bonds, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Operation and Maintenance Fund (established by Prior Ordinance and continued hereby); and

(4) Series 2010 Bonds Construction Trust Fund.

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

(1) Series 1985 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 1985 A Bonds Reserve Account (established by Prior Ordinance and continued hereby);

(3) Series 1985 B Bonds Sinking Fund (established by Prior Ordinance and continued hereby);

(4) Series 1985 B Bonds Reserve Account (established by Prior Ordinance and continued hereby);

(5) Series 1987 A Bonds Sinking Fund (established by Prior Ordinance and continued hereby);

(6) Series 1987 A Bonds Reserve Account (established by Prior Ordinance and continued hereby);

(7) Series 1987 B Bonds Sinking Fund (established by Prior Ordinance and continued hereby);

(8) Series 1987 B Bonds Reserve Account (established by Prior Ordinance and continued hereby);

(9) Series 2010 A Bonds Sinking Fund;

(10) Series 2010 A Bonds Reserve Account;

(11) Series 2010 B Bonds Sinking Fund; and

(12) Series 2010 B Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by the Prior Ordinance for the payment of interest on the Series 1985 A Bonds and the Series 1987 A Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinance for payment of principal of the Series 1985 A Bonds and the Series 1987 A Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the Prior Ordinance for deposit in the Series 1985 A Bonds Reserve Account and the Series 1987 A Bonds Reserve Account; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 A Bonds Reserve Account when there shall have been deposited therein, and as

long as there shall remain on deposit therein, an amount equal to the Series 2010 A Bonds Reserve Requirement; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2010 B Bonds, if not fully funded upon issuance of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Reserve Account, an amount eqnal to 1/120th of the Series 2010 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 B Bonds Reserve Reqnirement.

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

(6) 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 Ordinance to pay principal of the Series 1985 B Bonds and the Series 1987 B Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Prior Ordinance for deposit in the Series 1985 B Bonds Reserve Account and the Series 1987 B Bonds Reserve Account.

Monies in the Series 2010 A Bonds Sinking Fund and Series 2010 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2010 Bonds, respectively, as the same shall become due. Monies in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2010 Bonds, respectively, as the same shall come due, when other monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the respective Bond Construction Trust Funds, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2010 Bonds, if any, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2010 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund or the Series 2010 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2010 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

The Issuer covenants and agrees to transfer moneys in the Series 1985 A Bonds Reserve Account to the Series 2010 B Bonds Reserve Account upon maturity of the Series 1985 A Bonds. The Issuer covenants and agrees not to use the Series 1985 A Bonds Reserve Account for the final payment of the Series 1985 A Bonds.

The Issuer covenants and agrees to transfer moneys in the Series 1985 B Bonds Reserve Account to the Series 2010 B Bonds Reserve Account upon maturity of the Series 1985 B Bonds. The Issuer covenants and agrees not to use the Series 1985 B Bonds Reserve Account for the final payment of the Series 1985 B Bonds.

The Issuer covenants and agrees to transfer moneys in the Series 1987 A Bonds Reserve Account to the Series 2010 B Bonds Reserve Account upon maturity of the Series 1987 A Bonds. The Issuer covenants and agrees not to use the Series 1987 A Bonds Reserve Account for the final payment of the Series 1987 A Bonds.

The Issuer covenants and agrees to transfer moneys in the Series 1987 B Bonds Reserve Account to the Series 2010 B Bonds Reserve Account upon maturity of the

Series 1987 B Bonds. The Issuer covenants and agrees not to use the Series 1987 B Bonds Reserve Account for the final payment of the Series 1987 B Bonds.

The Issuer covenants and agrees to transfer moneys in the Series 2010 B Bonds Reserve Account to the Series 2010 A Bonds Reserve Account upon maturity of the Series 2010 B Bonds. The Issuer covenants and agrees not to use the Series 2010 B Bonds Reserve Account for the final payment of the Series 2010 B Bonds.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1985 A Bonds, the Series 1987 A Bonds, the Series 2010 A Bonds, and the Series 2010 B Bonds in accordance with the respective principal amounts then Outstanding and senior and prior to the Series 1985 B Bonds, and the Series 1987 B Bonds.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 Bonds, respectively, under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2010 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as

to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Bond Purchase Agreement for the Series 2010 B Bonds.

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2010 Bonds and the Series 1985 A Bonds and the Series 1987 A Bonds and senior and prior to the Series 1985 B Bonds and the Series 1987 B Bonds all in accordance with the respective principal amounts outstanding before being applied to any other payments hereunder.

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2010 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2010 A Bonds for the period commencing on the date of issuance of the Series 2010 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission in the Series 2010 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 A Bonds Reserve Account.

C. From the proceeds of the Series 2010 B Bonds, there shall first be deposited with the Commission in the Series 2010 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2010 B Bonds for the period commencing on the date of issuance of the Series 2010 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

D. Next, from the proceeds of the Series 2010 B Bonds, there shall be deposited with the Commission in the Series 2010 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 B Bonds Reserve Account.

E. Next from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission an amount as set forth in Supplemental Resolution an amount sufficient to pay in full the outstanding principal of, and interest on the Series 2008 A Bonds on the Closing Date.

F. As the Issuer receives advances of the monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

G. As the Issuer receives advances of the monies derived from the sale of the Series 2010 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2010 B Bonds.

H. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 A Bonds shall be expended as approved by the Council and any remaining proceeds of the Series 2010 B Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer stating that:

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

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

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

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

The Issuer shall expend all proceeds of the Series 2010 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

Pending such application, monies in the Series 2010 Bond Construction Trust Funds shall be invested and reinvested in Qualified Investments at the written direction of the Issuer; and

B. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2010 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 Bonds Construction Trust Fund shall be made only after submission to and approval from the DEP, of a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement for the Series 2010 B Bonds, in compliance with the construction schedule.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2010 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1985 A Bonds and the Series 1987 A Bonds and senior and prior to the Series 1985 B Bonds and the Series 1987 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted December 1, 2009, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement and Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2010 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement and Bond

Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement and Bond Purchase Agreement.

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

So long as the Series 2010 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the DEP and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund, respectively, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2010 A Bonds and the Series 2010 B Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2010 Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2010 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2010 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2010 Bonds pursuant to this Ordinance, without the prior written consent of the Authority, the Council and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

No such additional Parity Bonds shall be issued except for the purposes of financing the costs of the design, 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, or to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

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

(1) The Bonds then Outstanding;

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

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

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

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

All covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over

any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to this Ordinance.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligatious 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 iu this section, equally, as to the lien on aud source of and security for payment from such revenues, with the Bonds.

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

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

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia and the Act. Separate control accounting

records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issner shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority, the Council and the DEP, or any other original purchaser of the Series 2010 Bonds and shall mail in each year to any Holder or Holders of the Series 2010 Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and, to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 Bonds and shall submit the report to the Authority, the Council and the DEP or any other original purchaser of the Series 2010 Bonds. Such audit report submitted to the Authority, the Council, and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and Bond Purchase Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Bond Purchase Agreement for the Series 2010 B Bonds or any Exhibit thereto or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2010 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schednles of rates and charges shall at all times be adequate to produce Net Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2010 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 Bonds.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year

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

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

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of

the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement for the Series 2010 B Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

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

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

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

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

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

the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2010 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

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

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

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

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

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

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

Section 7.16. 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 Bureau for 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 Bureau for Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2010 Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(I).

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

Section 7.19. [RESERVED].

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

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2010 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council and the DEP for written approval. The Issuer shall obtain the written approval of the Council and the DEP before expending any proceeds of the Series 2010 Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council and the DEP before expending any proceeds of the Series 2010 Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2010 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1985 A Bonds and Series 1987 A Bonds and senior and prior to the Series 1985 B Bonds and Series 1987 B Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission or Depository Bank shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is

insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and iuvestment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2010 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2010 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2010 Bonds as a condition to issuance of the Series 2010 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2010 Bonds as may be necessary in order to maintain the status of the Series 2010 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2010 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the DEP or the Council, as the case may be, from which the proceeds of the Series 2010 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the DEP or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2010 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2010 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2010 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2010 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2010 Bonds shall be on a parity with those of the Holders of the Series 1985 A Bonds and the Series 1987 A Bonds, and senior and prior to the Series 1985 B Bonds and the Series 1987 B Bonds.

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

fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2010 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2010 A Bonds, the

principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2010 A Bonds from gross income for federal income tax purposes.

Section 10.02. Payment of Series 2010 B Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2010 B Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2010 B Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2010 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2010 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2010 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2010 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2010 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2010 Bonds.

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

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

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Times West Virginian*, a newspaper of general circulation in the Town of Barrackville, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

Passed on First Reading: August 3, 2010

Passed on Second Reading: August 17, 2010

Passed on Final Reading Following Public Hearing: September 21, 2010

Donna Hall

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the TOWN OF BARRACKVILLE on the 21st day of September, 2010.

Dated: December 22, 2010.

[SEAL]

Recorder

EXHIBIT A

Loan Agreement and Bond Purchase Agreement included in bond transcript as Documents 3 and 4

01.26.10
050470.00001

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM) OF THE TOWN OF BARRACKVILLE; APPROVING AND RATIFYING THE LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Town council (the "Governing Body") of the Town of Barrackville (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective September 21, 2010 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF BARRACKVILLE OF NOT MORE THAN $4,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $3,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE

REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT AND BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) in an aggregate principal amount not to exceed $4,000,000 and Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program) in an aggregate principal amount not to exceed $3,500,000;

WHEREAS, the Bond Ordinance has authorized the execution and delivery of a loan agreement relating to the Series 2010 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and a bond purchase agreement relating to the Series 2010 B Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP") (collectively, the "Loan Agreements"), all in accordance with Chapter 16, Article 13, Chapter 22C, Article 2, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreements and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2010 Bonds should be established by a supplemental resolution pertaining to the Series 2010 Bonds; and that other matters relating to the Series 2010 Bonds be herein provided for;

WHEREAS, the Loan Agreements have been presented to the Issuer at this meeting;

WHEREAS, the Series 2010 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement and the Series 2010 B Bonds are proposed to be purchased by the Authority pursuant to a Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement and Bond Purchase Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2010

Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2010 Bonds be herein provided for;

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

Section 1. A. Section 2.01 of the Ordinance is hereby revised and restated in its entirety:

> Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $6,543,960, 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 2010 A Bonds and the Series 2010 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Council, the Authority and the DEP.
>
> The cost of the Project is estimated not to exceed $6,543,960, of which an amount not to exceed $3,329,658 will be obtained from proceeds of the Series 2010 A Bonds, and an amount not to exceed $2,500,000 will be obtained from proceeds of the Series 2010 B Bonds, and $714,302 will be obtained from a grant from the West Virginia Infrastructure Fund.

B. The Project description is revised to include additional work, specifically to rehabilitate pump stations and for such line work as may be completed

Section 2. 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. Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of $3,329,658. The Series 2010 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2050 and shall bear no interest. The principal of the Series 2010 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2012 to and including December 1, 2050 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2010 A Bonds and incorporated in and made a part of the Series 2010 A Bonds. The Series 2010 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and

redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2010 A Bonds.

B. Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the original aggregate principal amount of $2,500,000. The Series 2010 B Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2042 and shall bear no interest. The principal of the Series 2010 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2012 to and including June 1, 2042 and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2010 B Bonds and incorporated in and made a part of the Series 2010 B Bonds. The Series 2010 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement for the Series 2010 B Bonds, so long as the Authority shall be the registered owner of the Series 2010 B Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2010 B Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 3. All other provisions relating to the Series 2010 Bonds and the text of each series of the Series 2010 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 4. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement and Bond Purchase Agreement, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreement and Bond Purchase Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and Bond Purchase Agreement and in the applications to the Council, the DEP, and the Authority. The price of the Series 2010 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2010 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2010 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2010 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2010 Bonds under the Bond Ordinance.

Section 7. The Issuer does hereby appoint and designate First Exchange Bank, Mannington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2010 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 A Bonds Sinking Fund, as capitalized interest.

Section 9. A. Series 2010 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 A Bonds Reserve Account to net fund the Series 2010 A Bonds Reserve Account.

B. The Issuer instructs the Commission to transfer moneys in the Series 2010 B Bonds Reserve Account to the Series 2010 A Bonds Reserve Account when the Series 2010 B Bonds are paid in full. The Issuer covenants and agrees not to use the Series 2010 B Bonds Reserve Account for the final payment of the Series 2010 B Bonds.

Section 10. Series 2010 A Bonds proceeds in the amount of $383,922.09 shall be deposited with the Commission to pay the Issuer's outstanding Sewerage System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds") at Closing. The Commission will transfer $13,960.75 from the Series 2008 A Bonds Sinking Fund and $1,750.69 from the Series 2008 A Bonds Reserve Fund at Closing to pay the Series 2008 A Bonds. Proceeds from the Series 2010 A Bonds, the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Fund will pay the entire outstanding principal balance of and all accrued interest on the Series 2008 A Bonds.

Section 11. Series 2010 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 B Bonds Sinking Fund, as capitalized interest.

Section 12. A. Series 2010 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 B Bonds Reserve Account to net fund the Series 2010 B Bonds Reserve Account.

B. The Issuer instructs the Commission to transfer moneys in the Series 1985 A Bonds Reserve Account to the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account in the amounts to fully fund the respective Reserve Requirement when the Series 1985 A Bonds are paid in full. The Issuer covenants and agrees not to use the Series 1985 A Bonds Reserve Account for the final payment of the Series 1985 A Bonds.

C. The Issuer instructs the Commission to transfer moneys in the Series 1985 B Bonds Reserve Account to the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account in the amounts to fully fund the respective Reserve Requirement when the Series 1985 B Bonds are paid in full. The Issuer covenants and agrees not to use the Series 1985 B Bonds Reserve Account for the final payment of the Series 1985 B Bonds.

D. The Issuer instructs the Commission to transfer moneys in the Series 1987 A Bonds Reserve Account to the Series 2010 A Bonds Reserve Account when the Series 1987 A Bonds are paid in full. The Issuer covenants and agrees not to use the Series 1987 A Bonds Reserve Account for the final payment of the Series 1987 A Bonds.

E. The Issuer instructs the Commission to transfer moneys in the Series 1987 B Bonds Reserve Account to the Series 2010 A Bonds Reserve Account when the Series 1987 B Bonds are paid in full. The Issuer covenants and agrees not to use the Series 1987 B Bonds Reserve Account for the final payment of the Series 1987 B Bonds.

Section 13. The balance of the proceeds of the Series 2010 A Bonds and the Series 2010 B Bonds shall be deposited in or credited to the respective Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2010 Bonds and related costs.

Section 14. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2010 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2010 Bonds may be delivered on or about December 22, 2010, to the Authority pursuant to the Loan Agreement and Bond Purchase Agreement.

Section 15. The payment of the Series 2008 A Bonds and the acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2010 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 16. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 17. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Sinking Funds and the Reserve Accounts for the Series 2010 Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 18. The Special Conditions of the Bond Purchase Agreement listed below are hereby agreed to and incorporated herein:

> CLOSING REQUIREMENTS – The Local Government shall provide an acceptable Final Title Opinion, an approvable Change Order 1 and shall have received a Final Order approving the change in scope of the Project from the PSC. The bond documents shall provide that the Local Government will not pay its Series 1985 and Series 1987 bonds from the

debt service reserve funds and shall upon payment of said bonds transfer the debt service reserve funds to the debt service reserve funds for the Local Bonds.

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

Section 19. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 13th day of December, 2010.

Donna Hall

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Barrackville on the 13th day of December, 2010.

Dated: December 22, 2010.

[SEAL]

Recorder

12.09.10
050470.00001

IC-1
(08/09)

LOAN AGREEMENT

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

TOWN OF BARRACKVILLE
(2007S-970)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

TOWN OF BARRACKVILLE

(SEAL)

By: Donna Hall
Its: Mayor
Date: December 22, 2010

Attest:

Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By:
Its: Executive Director
Date: December 22, 2010

Attest:

Its: Authorized Officer

{C1923110.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

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

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

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

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

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____

Name of Bond Issue(s) _____

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

Fiscal Year _____ **Report Month** _____

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

_____

Name of Person Completing Form

_____

Address

_____

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:	
Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $3,329,658
Purchase Price of Local Bonds $3,329,658

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

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

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

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

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

(i) Town of Barrackville Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894;

(ii) Town of Barrackville Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379; and

(iii) Town of Barrackville Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated December 22, 2010, issued in the original aggregate principal amount of $2,500,000.

There are also outstanding obligations of the Local Government which will be junior and subordinate to the Local Bonds as to liens, pledge, source of and security for payment, being the Issuers:

(i) Town of Barrackville Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106; and

(ii) Town of Barrackville Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621.

Number of New Customers: 0
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

BOND DEBT SERVICE				
Town of Barrackville				
Infrastructure Jobs & Development Council				
0% Interest Rate, $3,329,658				
40 Years from Closing Date				
	Dated Date	12/22/10		
	Delivery Date	12/22/10		
Period Ending	**Principal**	**Interest**	**Debt Service**	
9/1/12	12,500		12,500	
10/1/12				
12/1/12	12,500		12,500	
3/1/13	12,500		12,500	
6/1/13	12,500		12,500	
9/1/13	12,500		12,500	
10/1/13				
12/1/13	12,500		12,500	
3/1/14	12,500		12,500	
6/1/14	12,500		12,500	
9/1/14	12,500		12,500	
10/1/14				
12/1/14	12,500		12,500	
3/1/15	12,500		12,500	
6/1/15	12,500		12,500	
9/1/15	12,500		12,500	
10/1/15				
12/1/15	12,500		12,500	
3/1/16	12,500		12,500	
6/1/16	12,500		12,500	
9/1/16	12,500		12,500	
10/1/16				
12/1/16	12,500		12,500	
3/1/17	12,500		12,500	
6/1/17	12,500		12,500	
9/1/17	12,500		12,500	
10/1/17				
12/1/17	12,500		12,500	
3/1/18	12,500		12,500	
6/1/18	12,500		12,500	
9/1/18	12,500		12,500	
10/1/18				
12/1/18	12,500		12,500	
3/1/19	12,500		12,500	
6/1/19	12,500		12,500	
9/1/19	12,500		12,500	
10/1/19				
12/1/19	12,500		12,500	
3/1/20	12,500		12,500	

BOND DEBT SERVICE

Town of Barrackville

IF - 12/22/2010

Period Ending	Principal	Interest	Debt Service
6/1/20	12,500		12,500
9/1/20	12,500		12,500
10/1/20			
12/1/20	12,500		12,500
3/1/21	12,500		12,500
6/1/21	12,500		12,500
9/1/21	12,500		12,500
10/1/21			
12/1/21	12,500		12,500
3/1/22	12,500		12,500
6/1/22	12,500		12,500
9/1/22	12,500		12,500
10/1/22			
12/1/22	12,500		12,500
3/1/23	12,500		12,500
6/1/23	12,500		12,500
9/1/23	12,500		12,500
10/1/23			
12/1/23	12,500		12,500
3/1/24	12,500		12,500
6/1/24	12,500		12,500
9/1/24	12,500		12,500
10/1/24			
12/1/24	12,500		12,500
3/1/25	12,500		12,500
6/1/25	12,500		12,500
9/1/25	12,500		12,500
10/1/25			
12/1/25	16,712		16,712
3/1/26	16,712		16,712
6/1/26	16,712		16,712
9/1/26	16,712		16,712
10/1/26			
12/1/26	19,080		19,080
3/1/27	19,080		19,080
6/1/27	19,080		19,080
9/1/27	19,080		19,080
10/1/27			
12/1/27	19,080		19,080
3/1/28	19,080		19,080
6/1/28	19,080		19,080
9/1/28	19,080		19,080
10/1/28			
12/1/28	19,080		19,080

BOND DEBT SERVICE				
Town of Barrackville				
		IF - 12/22/2010		
Period Ending	Principal	Interest	Debt Service	
3/1/29	19,080		19,080	
6/1/29	19,080		19,080	
9/1/29	19,080		19,080	
10/1/29				
12/1/29	19,080		19,080	
3/1/30	19,080		19,080	
6/1/30	19,080		19,080	
9/1/30	19,080		19,080	
10/1/30				
12/1/30	19,080		19,080	
3/1/31	19,080		19,080	
6/1/31	19,080		19,080	
9/1/31	19,080		19,080	
10/1/31				
12/1/31	19,080		19,080	
3/1/32	19,080		19,080	
6/1/32	19,080		19,080	
9/1/32	19,080		19,080	
10/1/32				
12/1/32	19,080		19,080	
3/1/33	19,080		19,080	
6/1/33	19,080		19,080	
9/1/33	19,080		19,080	
10/1/33				
12/1/33	19,080		19,080	
3/1/34	19,080		19,080	
6/1/34	19,080		19,080	
9/1/34	19,080		19,080	
10/1/34				
12/1/34	19,080		19,080	
3/1/35	19,080		19,080	
6/1/35	19,080		19,080	
9/1/35	19,080		19,080	
10/1/35				
12/1/35	19,080		19,080	
3/1/36	19,080		19,080	
6/1/36	19,080		19,080	
9/1/36	19,080		19,080	
10/1/36				
12/1/36	19,080		19,080	
3/1/37	19,080		19,080	
6/1/37	19,080		19,080	
9/1/37	19,080		19,080	
10/1/37				
12/1/37	19,080		19,080	

BOND DEBT SERVICE

Town of Barrackville

IF - 12/22/2010

Period Ending	Principal	Interest	Debt Service
3/1/38	19,080		19,080
6/1/38	19,080		19,080
9/1/38	19,080		19,080
10/1/38			
12/1/38	19,080		19,080
3/1/39	19,080		19,080
6/1/39	19,080		19,080
9/1/39	19,080		19,080
10/1/39			
12/1/39	19,080		19,080
3/1/40	19,080		19,080
6/1/40	19,080		19,080
9/1/40	19,080		19,080
10/1/40			
12/1/40	19,080		19,080
3/1/41	19,080		19,080
6/1/41	19,080		19,080
9/1/41	19,080		19,080
10/1/41			
12/1/41	25,987		25,987
3/1/42	25,987		25,987
6/1/42	25,987		25,987
9/1/42	25,987		25,987
10/1/42			
12/1/42	40,957		40,957
3/1/43	40,957		40,957
6/1/43	40,957		40,957
9/1/43	40,957		40,957
10/1/43			
12/1/43	40,957		40,957
3/1/44	40,957		40,957
6/1/44	40,957		40,957
9/1/44	40,957		40,957
10/1/44			
12/1/44	40,957		40,957
3/1/45	40,957		40,957
6/1/45	40,957		40,957
9/1/45	40,957		40,957
10/1/45			
12/1/45	40,957		40,957
3/1/46	40,956		40,956
6/1/46	40,956		40,956
9/1/46	40,956		40,956
10/1/46			

BOND DEBT SERVICE

Town of Barrackville

IF - 12/22/2010

Period Ending	Principal	Interest	Debt Service
12/1/46	40,956		40,956
3/1/47	40,956		40,956
6/1/47	40,956		40,956
9/1/47	40,956		40,956
10/1/47			
12/1/47	40,956		40,956
3/1/48	40,956		40,956
6/1/48	40,956		40,956
9/1/48	40,956		40,956
10/1/48			
12/1/48	40,956		40,956
3/1/49	40,956		40,956
6/1/49	40,956		40,956
9/1/49	40,956		40,956
10/1/49			
12/1/49	40,956		40,956
3/1/50	40,956		40,956
6/1/50	40,956		40,956
9/1/50	40,956		40,956
10/1/50			
12/1/50	40,957		40,957
10/1/51			
	3,329,658		**3,329,658**

SCHEDULE Z

Special Conditions

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

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

C. CLOSING REQUIREMENTS – The Governmental Agency shall provide an acceptable Final Title Opinion, an approvable Change Order 1 and shall have received a Final Order approving the change in scope of the Project from the PSC. The bond documents shall provide that the Governmental Agency will not pay its Series 1985 and Series 1987 bonds from the debt service reserve funds and shall upon payment of said bonds transfer the debt service reserve funds to the debt service reserve funds for the Local Bonds.

SRF-BPA-1
(11/01/04)

BOND PURCHASE AGREEMENT

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

TOWN OF BARRACKVILLE (2007S-970)
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Local Government

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

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF BARRACKVILLE

(SEAL)

By: Donna Hall
Its: Mayor
Date: December 22, 2010

Attest:

Its: Recorder

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

By: Scott G. Mandirola
Its: Director
Date: December 22, 2010

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By:
Its: Executive Director
Date: December 22, 2010

Attest:

Its: Authorized Officer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

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

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

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

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

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

_____

By _____
West Virginia License No. __

[SEAL]

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

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

C. CLOSING REQUIREMENTS – The Local Government shall provide an acceptable Final Title Opinion, an approvable Change Order 1 and shall have received a Final Order approving the change in scope of the Project from the PSC. The bond documents shall provide that the Local Government will not pay its Series 1985 and Series 1987 bonds from the debt service reserve funds and shall upon payment of said bonds transfer the debt service reserve funds to the debt service reserve funds for the Local Bonds.

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

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

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

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $2,500,000
Purchase Price of Local Bonds $2,500,000

The Local Bonds shall bear no interest. Commencing September 1, 2012, principal of the Local Bonds is payable quarterly, with an administrative fee of .5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(i) Town of Barrackville Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894;

(ii) Town of Barrackville Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379; and

(iii) Town of Barrackville Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated December 22, 2010, issued in the original aggregate principal amount of $3,329,658.

There are also outstanding obligations of the Local Government which will be junior and subordinate to the Local Bonds as to liens, pledge, source of and security for payment, being the Issuers:

(i) Town of Barrackville Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106; and

(ii) Town of Barrackville Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621.

Number of New Customers: 0
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

BOND DEBT SERVICE			
Town of Barrackville			
CW SRF			
0% Interest Rate, 0.5% Administrative Fee			
30 Years, $2,500,000			
	Dated Date		12/22/10
	Delivery Date		12/22/10
Period Ending	**Principal**	**Interest**	**Debt Service**
9/1/12	11,591		11,591
10/1/12			
12/1/12	11,591		11,591
3/1/13	11,591		11,591
6/1/13	11,591		11,591
9/1/13	11,591		11,591
10/1/13			
12/1/13	11,591		11,591
3/1/14	11,591		11,591
6/1/14	11,591		11,591
9/1/14	11,591		11,591
10/1/14			
12/1/14	11,591		11,591
3/1/15	11,591		11,591
6/1/15	11,591		11,591
9/1/15	11,591		11,591
10/1/15			
12/1/15	11,591		11,591
3/1/16	11,591		11,591
6/1/16	11,591		11,591
9/1/16	11,591		11,591
10/1/16			
12/1/16	11,591		11,591
3/1/17	11,591		11,591
6/1/17	11,591		11,591
9/1/17	11,591		11,591
10/1/17			
12/1/17	11,591		11,591
3/1/18	11,591		11,591
6/1/18	11,591		11,591
9/1/18	11,591		11,591
10/1/18			
12/1/18	11,591		11,591
3/1/19	11,591		11,591
6/1/19	11,591		11,591
9/1/19	11,591		11,591
10/1/19			
12/1/19	11,591		11,591

BOND DEBT SERVICE			
Town of Barrackville			
CW SRF			
Period Ending	Principal	Interest	Debt Service
3/1/20	11,591		11,591
6/1/20	11,591		11,591
9/1/20	11,591		11,591
10/1/20			
12/1/20	11,591		11,591
3/1/21	11,591		11,591
6/1/21	11,591		11,591
9/1/21	11,591		11,591
10/1/21			
12/1/21	12,280		12,280
3/1/22	12,280		12,280
6/1/22	12,280		12,280
9/1/22	12,280		12,280
10/1/22			
12/1/22	14,270		14,270
3/1/23	14,270		14,270
6/1/23	14,270		14,270
9/1/23	14,270		14,270
10/1/23			
12/1/23	14,270		14,270
3/1/24	14,270		14,270
6/1/24	14,270		14,270
9/1/24	14,270		14,270
10/1/24			
12/1/24	14,270		14,270
3/1/25	14,270		14,270
6/1/25	14,270		14,270
9/1/25	14,270		14,270
10/1/25			
12/1/25	27,624		27,624
3/1/26	27,624		27,624
6/1/26	27,624		27,624
9/1/26	27,624		27,624
10/1/26			
12/1/26	27,624		27,624
3/1/27	27,624		27,624
6/1/27	27,624		27,624
9/1/27	27,624		27,624
10/1/27			
12/1/27	27,624		27,624
3/1/28	27,624		27,624
6/1/28	27,624		27,624
9/1/28	27,624		27,624

BOND DEBT SERVICE			
Town of Barrackville			
SRF			
Period Ending	**Principal**	**Interest**	**Debt Service**
10/1/28			
12/1/28	27,624		27,624
3/1/29	27,624		27,624
6/1/29	27,624		27,624
9/1/29	27,624		27,624
10/1/29			
12/1/29	27,624		27,624
3/1/30	27,624		27,624
6/1/30	27,624		27,624
9/1/30	27,624		27,624
10/1/30			
12/1/30	27,624		27,624
3/1/31	27,624		27,624
6/1/31	27,624		27,624
9/1/31	27,624		27,624
10/1/31			
12/1/31	27,624		27,624
3/1/32	27,624		27,624
6/1/32	27,624		27,624
9/1/32	27,624		27,624
10/1/32			
12/1/32	27,624		27,624
3/1/33	27,624		27,624
6/1/33	27,624		27,624
9/1/33	27,623		27,623
10/1/33			
12/1/33	27,623		27,623
3/1/34	27,623		27,623
6/1/34	27,623		27,623
9/1/34	27,623		27,623
10/1/34			
12/1/34	27,623		27,623
3/1/35	27,623		27,623
6/1/35	27,623		27,623
9/1/35	27,623		27,623
10/1/35			
12/1/35	27,623		27,623
3/1/36	27,623		27,623
6/1/36	27,623		27,623
9/1/36	27,623		27,623
10/1/36			

BOND DEBT SERVICE

Town of Barrackville

SRF

0% Interest Rate

0.5% Administrative Fee

30 Years

Period Ending	Principal	Interest	Debt Service		
12/1/36	27,623		27,623		
3/1/37	27,623		27,623		
6/1/37	27,623		27,623		
9/1/37	27,623		27,623		
10/1/37					
12/1/37	27,623		27,623		
3/1/38	27,623		27,623		
6/1/38	27,623		27,623		
9/1/38	27,623		27,623		
10/1/38					
12/1/38	27,623		27,623		
3/1/39	27,623		27,623		
6/1/39	27,623		27,623		
9/1/39	27,623		27,623		
10/1/39					
12/1/39	27,623		27,623		
3/1/40	27,623		27,623		
6/1/40	27,623		27,623		
9/1/40	27,623		27,623		
10/1/40					
12/1/40	27,623		27,623		
3/1/41	27,623		27,623		
6/1/41	27,623		27,623		
9/1/41	27,623		27,623		
10/1/41					
12/1/41	27,623		27,623		
3/1/42	27,623		27,623		
6/1/42	27,624		27,624		
10/1/42					
	2,500,000		**2,500,000**	*	**2,500,000**

*Plus a quarterly administrative fee of $1,867.08 for a total Administrative expense of $224,049.60

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 22nd day of December, 2010, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Barrackville (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure fund), of the Issuer, in the principal amount of $3,329,658 numbered AR-1 (the "Series 2010 A Bonds") and the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, in the principal amount of $2,500,000, numbered BR-1 (the "Series 2010 B Bonds"), all issued as a single, fully registered Bond, and dated December 22, 2010.

2. At the time of such receipt, all the Series 2010 A Bonds and the Series 2010 B Bonds had been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2010 A Bonds, of $496,496.26, being a portion of the principal amount of the Series 2010 A Bonds. The balance of the principal amount of the Series 2010 A Bonds will be advanced by the Authority and the West Virginia Infrastructure & Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2010 B Bonds, of $125,000, being a portion of the principal amount of the Series 2010 B Bonds. The balance of the principal amount of the Series 2010 B Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

TOWN OF BARRACKVILLE

By: Donna Hall
Its: Mayor

12.09.10
050470.00001

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith on this 22nd day of December, 2010.

(1) Bond No. AR-1, constituting the entire original issue of the Town of Barrackville Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), in the principal amount of $3,329,658 (the "Series 2010 A Bonds") and Bond No. BR-1, constituting the entire original issue of the Town of Barrackville Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in the principal amount of $2,500,000 (the "Series 2010 B Bonds"), both dated December 22, 2010 (collectively, the "Series 2010 Bonds"), executed by the Mayor and the Recorder of the Town of Barrackville (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on September 21, 2010, and a Supplemental Resolution duly adopted by the Issuer on December 13, 2010 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2010 A Bonds, dated December 22, 2010 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and a Bond Purchase Agreement for the Series 2010 B Bonds, dated December 22, 2010 (the "Bond Purchase Agreement"), by and among the Issuer, the Authority, and the West Virginia Department of Environmental Protection; and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement, Bond Purchase Agreement and the Series 2010 Bonds.

You are hereby requested and authorized to deliver the Series 2010 A Bonds to the Authority upon payment to the Issuer of the sum of $496,496.26, representing a portion of the principal amount of the Series 2010 A Bonds. You are further hereby requested and authorized to deliver the Series 2010 B Bonds to the Authority upon payment to the Issuer of the sum of $125,000, representing a portion of the principal amount of the Series 2010 B Bonds. Prior to such delivery of the Series 2010 Bonds, you will please cause the Series 2010 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Left Blank]

Dated as of the day and year first written above.

TOWN OF BARRACKVILLE

Donna Hall

Mayor

12.09.10
050470.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $3,329,658

KNOW ALL MEN BY THESE PRESENTS: That on the 22nd day of December, 2010, the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE MILLION THREEHUNDRED TWENTY-NINE THOUSAND SIX HUNDRED FIFTY EIGHT DOLLARS ($3,329,658), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2010 to and including December 1, 2050, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated December 22, 2010.

This Bond is issued (i) to pay the Issuer's Sewerage System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority) (the "Series 2008 A Bonds"); (ii) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond

Ordinance duly enacted by the Issuer on September 21, 2010, and a Supplemental Resolution duly adopted by the Issuer on December 13, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $618,894 (THE "SERIES 1985 A BONDS"), (ii) SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,379 (THE "SERIES 1987 A BONDS"), AND (iii) THE SERIES 2010 B BONDS, DATED DECEMBER 22, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,500,000, (THE "SERIES 2010 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $308,106, (THE "SERIES 1985 B BONDS"), AND (ii) SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $24,621 (THE "SERIES 1987 B BONDS").

THE SERIES 1985 A BONDS, THE SERIES 1987 A, THE SERIES 1985 B AND THE SERIES 1987 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1985 A Bonds, the Series 1987 A Bonds and the Series 2010 B Bonds, and senior and prior to the Series 1987 B Bonds and the Series 1985 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 A Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Series 2010 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from

the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Series 2010 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2010 A Bonds including the Prior Bonds and the Series 2010 B Bonds; provided however, that, so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2010 A Bonds, including the Series 2010 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Donna Hall

Mayor

SPECIMEN

ATTEST:

James D. Doyle

Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 22, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $496,496.25	December 22, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE				
Town of Barrackville				
Infrastructure Jobs & Development Council				
0% Interest Rate, $3,329,658				
40 Years from Closing Date				
	Dated Date	12/22/10		
	Delivery Date	12/22/10		
Period Ending	Principal	Interest	Debt Service	
9/1/12	12,500		12,500	
10/1/12				
12/1/12	12,500		12,500	
3/1/13	12,500		12,500	
6/1/13	12,500		12,500	
9/1/13	12,500		12,500	
10/1/13				
12/1/13	12,500		12,500	
3/1/14	12,500		12,500	
6/1/14	12,500		12,500	
9/1/14	12,500		12,500	
10/1/14				
12/1/14	12,500		12,500	
3/1/15	12,500		12,500	
6/1/15	12,500		12,500	
9/1/15	12,500		12,500	
10/1/15				
12/1/15	12,500		12,500	
3/1/16	12,500		12,500	
6/1/16	12,500		12,500	
9/1/16	12,500		12,500	
10/1/16				
12/1/16	12,500		12,500	
3/1/17	12,500		12,500	
6/1/17	12,500		12,500	
9/1/17	12,500		12,500	
10/1/17				
12/1/17	12,500		12,500	
3/1/18	12,500		12,500	
6/1/18	12,500		12,500	
9/1/18	12,500		12,500	
10/1/18				
12/1/18	12,500		12,500	
3/1/19	12,500		12,500	
6/1/19	12,500		12,500	
9/1/19	12,500		12,500	
10/1/19				
12/1/19	12,500		12,500	
3/1/20	12,500		12,500	

BOND DEBT SERVICE			
Town of Barrackville			
IF - 12/22/2010			
Period Ending	Principal	Interest	Debt Service
6/1/20	12,500		12,500
9/1/20	12,500		12,500
10/1/20			
12/1/20	12,500		12,500
3/1/21	12,500		12,500
6/1/21	12,500		12,500
9/1/21	12,500		12,500
10/1/21			
12/1/21	12,500		12,500
3/1/22	12,500		12,500
6/1/22	12,500		12,500
9/1/22	12,500		12,500
10/1/22			
12/1/22	12,500		12,500
3/1/23	12,500		12,500
6/1/23	12,500		12,500
9/1/23	12,500		12,500
10/1/23			
12/1/23	12,500		12,500
3/1/24	12,500		12,500
6/1/24	12,500		12,500
9/1/24	12,500		12,500
10/1/24			
12/1/24	12,500		12,500
3/1/25	12,500		12,500
6/1/25	12,500		12,500
9/1/25	12,500		12,500
10/1/25			
12/1/25	16,712		16,712
3/1/26	16,712		16,712
6/1/26	16,712		16,712
9/1/26	16,712		16,712
10/1/26			
12/1/26	19,080		19,080
3/1/27	19,080		19,080
6/1/27	19,080		19,080
9/1/27	19,080		19,080
10/1/27			
12/1/27	19,080		19,080
3/1/28	19,080		19,080
6/1/28	19,080		19,080
9/1/28	19,080		19,080
10/1/28			
12/1/28	19,080		19,080

BOND DEBT SERVICE			
Town of Barrackville			
		IF - 12/22/2010	
Period Ending	Principal	Interest	Debt Service
3/1/29	19,080		19,080
6/1/29	19,080		19,080
9/1/29	19,080		19,080
10/1/29			
12/1/29	19,080		19,080
3/1/30	19,080		19,080
6/1/30	19,080		19,080
9/1/30	19,080		19,080
10/1/30			
12/1/30	19,080		19,080
3/1/31	19,080		19,080
6/1/31	19,080		19,080
9/1/31	19,080		19,080
10/1/31			
12/1/31	19,080		19,080
3/1/32	19,080		19,080
6/1/32	19,080		19,080
9/1/32	19,080		19,080
10/1/32			
12/1/32	19,080		19,080
3/1/33	19,080		19,080
6/1/33	19,080		19,080
9/1/33	19,080		19,080
10/1/33			
12/1/33	19,080		19,080
3/1/34	19,080		19,080
6/1/34	19,080		19,080
9/1/34	19,080		19,080
10/1/34			
12/1/34	19,080		19,080
3/1/35	19,080		19,080
6/1/35	19,080		19,080
9/1/35	19,080		19,080
10/1/35			
12/1/35	19,080		19,080
3/1/36	19,080		19,080
6/1/36	19,080		19,080
9/1/36	19,080		19,080
10/1/36			
12/1/36	19,080		19,080
3/1/37	19,080		19,080
6/1/37	19,080		19,080
9/1/37	19,080		19,080
10/1/37			
12/1/37	19,080		19,080

BOND DEBT SERVICE

Town of Barrackville

IF - 12/22/2010

Period Ending	Principal	Interest	Debt Service
3/1/38	19,080		19,080
6/1/38	19,080		19,080
9/1/38	19,080		19,080
10/1/38			
12/1/38	19,080		19,080
3/1/39	19,080		19,080
6/1/39	19,080		19,080
9/1/39	19,080		19,080
10/1/39			
12/1/39	19,080		19,080
3/1/40	19,080		19,080
6/1/40	19,080		19,080
9/1/40	19,080		19,080
10/1/40			
12/1/40	19,080		19,080
3/1/41	19,080		19,080
6/1/41	19,080		19,080
9/1/41	19,080		19,080
10/1/41			
12/1/41	25,987		25,987
3/1/42	25,987		25,987
6/1/42	25,987		25,987
9/1/42	25,987		25,987
10/1/42			
12/1/42	40,957		40,957
3/1/43	40,957		40,957
6/1/43	40,957		40,957
9/1/43	40,957		40,957
10/1/43			
12/1/43	40,957		40,957
3/1/44	40,957		40,957
6/1/44	40,957		40,957
9/1/44	40,957		40,957
10/1/44			
12/1/44	40,957		40,957
3/1/45	40,957		40,957
6/1/45	40,957		40,957
9/1/45	40,957		40,957
10/1/45			
12/1/45	40,957		40,957
3/1/46	40,956		40,956
6/1/46	40,956		40,956
9/1/46	40,956		40,956
10/1/46			

BOND DEBT SERVICE

Town of Barrackville

IF - 12/22/2010

Period Ending	Principal	Interest	Debt Service
12/1/46	40,956		40,956
3/1/47	40,956		40,956
6/1/47	40,956		40,956
9/1/47	40,956		40,956
10/1/47			
12/1/47	40,956		40,956
3/1/48	40,956		40,956
6/1/48	40,956		40,956
9/1/48	40,956		40,956
10/1/48			
12/1/48	40,956		40,956
3/1/49	40,956		40,956
6/1/49	40,956		40,956
9/1/49	40,956		40,956
10/1/49			
12/1/49	40,956		40,956
3/1/50	40,956		40,956
6/1/50	40,956		40,956
9/1/50	40,956		40,956
10/1/50			
12/1/50	40,957		40,957
10/1/51			
	3,329,658		**3,329,658**

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $2,500,000

KNOW ALL MEN BY THESE PRESENTS: That on the 22nd day of December, 2010, the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2012 to and including June 1, 2042, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2012 as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority, and the DEP, dated December 22, 2010.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22 C, Article 2 of the West Virginia Code of 1931, as amended

(collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 21, 2010, and a Supplemental Resolution duly adopted by the Issuer on December 13, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, aud such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $618,894 (THE "SERIES 1985 A BONDS"), (ii) SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,379 (THE "SERIES 1987 A BONDS"), AND (iii) THE SERIES 2010 A BONDS, DATED DECEMBER 22, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,329,658, (THE "SERIES 2010 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1985 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $308,106, (THE "SERIES 1985 B BONDS"), AND (ii) SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 6, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $24,621 (THE "SERIES 1987 B BONDS").

THE SERIES 1985 A BONDS, THE SERIES 1987 A, THE SERIES 1985 B AND THE SERIES 1987 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1985 A Bonds, the Series 1987 A Bonds and the Series 2010 A Bonds, and senior and prior to the Series 1987 B Bonds and the Series 1985 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 B Bonds (the "Series 2010 B Bonds Reserve Account"), and unexpended proceeds of the Series 2010 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund

provided from the Net Revenues, the monies in the Series 2010 B Bonds Reserve Account and unexpended proceeds of the Series 2010 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair aud maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 B Bonds including the Series 2010 A Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2010 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2010 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Donna Glavine
Mayor

ATTEST:

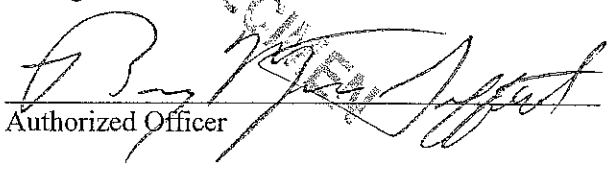
James D. Doyle
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 22, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $125,000	December 22, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

Town of Barrackville

CW SRF

0% Interest Rate, 0.5% Administrative Fee

30 Years, $2,500,000

	Dated Date		12/22/10
	Delivery Date		12/22/10
Period Ending	**Principal**	**Interest**	**Debt Service**
9/1/12	11,591		11,591
10/1/12			
12/1/12	11,591		11,591
3/1/13	11,591		11,591
6/1/13	11,591		11,591
9/1/13	11,591		11,591
10/1/13			
12/1/13	11,591		11,591
3/1/14	11,591		11,591
6/1/14	11,591		11,591
9/1/14	11,591		11,591
10/1/14			
12/1/14	11,591		11,591
3/1/15	11,591		11,591
6/1/15	11,591		11,591
9/1/15	11,591		11,591
10/1/15			
12/1/15	11,591		11,591
3/1/16	11,591		11,591
6/1/16	11,591		11,591
9/1/16	11,591		11,591
10/1/16			
12/1/16	11,591		11,591
3/1/17	11,591		11,591
6/1/17	11,591		11,591
9/1/17	11,591		11,591
10/1/17			
12/1/17	11,591		11,591
3/1/18	11,591		11,591
6/1/18	11,591		11,591
9/1/18	11,591		11,591
10/1/18			
12/1/18	11,591		11,591
3/1/19	11,591		11,591
6/1/19	11,591		11,591
9/1/19	11,591		11,591
10/1/19			
12/1/19	11,591		11,591

BOND DEBT SERVICE			
Town of Barrackville			
CW SRF			
Period Ending	Principal	Interest	Debt Service
3/1/20	11,591		11,591
6/1/20	11,591		11,591
9/1/20	11,591		11,591
10/1/20			
12/1/20	11,591		11,591
3/1/21	11,591		11,591
6/1/21	11,591		11,591
9/1/21	11,591		11,591
10/1/21			
12/1/21	12,280		12,280
3/1/22	12,280		12,280
6/1/22	12,280		12,280
9/1/22	12,280		12,280
10/1/22			
12/1/22	14,270		14,270
3/1/23	14,270		14,270
6/1/23	14,270		14,270
9/1/23	14,270		14,270
10/1/23			
12/1/23	14,270		14,270
3/1/24	14,270		14,270
6/1/24	14,270		14,270
9/1/24	14,270		14,270
10/1/24			
12/1/24	14,270		14,270
3/1/25	14,270		14,270
6/1/25	14,270		14,270
9/1/25	14,270		14,270
10/1/25			
12/1/25	27,624		27,624
3/1/26	27,624		27,624
6/1/26	27,624		27,624
9/1/26	27,624		27,624
10/1/26			
12/1/26	27,624		27,624
3/1/27	27,624		27,624
6/1/27	27,624		27,624
9/1/27	27,624		27,624
10/1/27			
12/1/27	27,624		27,624
3/1/28	27,624		27,624
6/1/28	27,624		27,624
9/1/28	27,624		27,624

BOND DEBT SERVICE			
Town of Barrackville			
SRF			
Period Ending	Principal	Interest	Debt Service
10/1/28			
12/1/28	27,624		27,624
3/1/29	27,624		27,624
6/1/29	27,624		27,624
9/1/29	27,624		27,624
10/1/29			
12/1/29	27,624		27,624
3/1/30	27,624		27,624
6/1/30	27,624		27,624
9/1/30	27,624		27,624
10/1/30			
12/1/30	27,624		27,624
3/1/31	27,624		27,624
6/1/31	27,624		27,624
9/1/31	27,624		27,624
10/1/31			
12/1/31	27,624		27,624
3/1/32	27,624		27,624
6/1/32	27,624		27,624
9/1/32	27,624		27,624
10/1/32			
12/1/32	27,624		27,624
3/1/33	27,624		27,624
6/1/33	27,624		27,624
9/1/33	27,623		27,623
10/1/33			
12/1/33	27,623		27,623
3/1/34	27,623		27,623
6/1/34	27,623		27,623
9/1/34	27,623		27,623
10/1/34			
12/1/34	27,623		27,623
3/1/35	27,623		27,623
6/1/35	27,623		27,623
9/1/35	27,623		27,623
10/1/35			
12/1/35	27,623		27,623
3/1/36	27,623		27,623
6/1/36	27,623		27,623
9/1/36	27,623		27,623
10/1/36			

BOND DEBT SERVICE

Town of Barrackville

SRF

0% Interest Rate

0.5% Administrative Fee

30 Years

Period Ending	Principal	Interest	Debt Service		
12/1/36	27,623		27,623		
3/1/37	27,623		27,623		
6/1/37	27,623		27,623		
9/1/37	27,623		27,623		
10/1/37					
12/1/37	27,623		27,623		
3/1/38	27,623		27,623		
6/1/38	27,623		27,623		
9/1/38	27,623		27,623		
10/1/38					
12/1/38	27,623		27,623		
3/1/39	27,623		27,623		
6/1/39	27,623		27,623		
9/1/39	27,623		27,623		
10/1/39					
12/1/39	27,623		27,623		
3/1/40	27,623		27,623		
6/1/40	27,623		27,623		
9/1/40	27,623		27,623		
10/1/40					
12/1/40	27,623		27,623		
3/1/41	27,623		27,623		
6/1/41	27,623		27,623		
9/1/41	27,623		27,623		
10/1/41					
12/1/41	27,623		27,623		
3/1/42	27,623		27,623		
6/1/42	27,624		27,624		
10/1/42					
	2,500,000		**2,500,000**	*	**2,500,000**

*Plus a quarterly administrative fee of $1,867.08 for a total Administrative expense of $224,049.60

(Form of)

ASSIGNMENT

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

Dated: _____, 20_____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

December 22, 2010

Town of Barrackville
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

Town of Barrackville
Barrackville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the Town of Barrackville (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $3,329,658 Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated December 22, 2010, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $3,329,658, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December I of each year, beginning September 1, 2012, to and including December 1, 2050, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued for the purposes of (i) paying the Issuer's Sewerage System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project") and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the bond

11A

ordinance duly enacted by the Issuer on September 21, 2010, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 13, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

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

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

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

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

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's (i) Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894 (the "Series 1985 A Bonds"), (ii) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379 (the "Series 1987 A Bonds), and (iii) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated December 22, 2010, issued in the original aggregate principal amount of $2,500,000, (the "Series 2010 B Bonds") issued contemporaneously herewith, and senior and prior to, with respect to liens, pledge and source of and security for payment the Issuer's (i) Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106 (the "Series 1985 B Bonds"), and (ii) Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621 (the "Series 1987 B Bonds).

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

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

8. The Series 2008 A Bonds have been paid within the meaning and with the effect expressed in the ordinances authorizing the issuance of the Series 2008 A Bonds, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2008 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the Receipt of Payment of the West Virginia Municipal Bond Commission to the sufficiency of the monies on deposit to provide for the payment of the principal of, interest on, premium, if any, and fees of the Series 2008 A Bonds.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

12.09.10
050470.00001

4912809

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

December 22, 2010

Town of Barrackville
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

Town of Barrackville
Barrackville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the Town of Barrackville (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $2,500,000 Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated December 22, 2010, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are issued in the principal amount of $2,500,000, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning September 1, 2012, to and including June 1, 2042, all as set forth in "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2010 B Bonds are subject to the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2010 B Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the bond ordinance duly enacted by the Issuer on September 21, 2010, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 13, 2010 (collectively, the "Bond Legislation"),

11B

pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

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

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

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

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

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's (i) Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894 (the "Series 1985 A Bonds"), (ii) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379 (the "Series 1987 A Bonds), and (iii) Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), dated December 22, 2010, issued in the original aggregate principal amount of $3,329,658, (the "Series 2010 A Bonds") issued simultaneously herewith, and senior and prior to, with respect to liens, pledge and source of and security for payment the Issuer's (i) Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106 (the "Series 1985 B Bonds"), and (ii) Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621 (the "Series 1987 B Bonds).

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

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

express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

12.09.10
050470.00001

THARP, LIOTTA & YOKUM, LLP
ATTORNEYS AT LAW
WESBANCO BANK BUILDING
FAIRMONT, WEST VIRGINIA 26555-1509
P. O. BOX 1509

J. SCOTT THARP
KAREN M. YOKUM
JARROD G. DEVAULT
JAMES A. LIOTTA (1946-2005)

TELEPHONE (304) 363-1123
FAX NO. (304) 366-1386
E-MAIL ADDRESS:
TLJY@access.mountain.net

December 22, 2010

Town of Barrackville
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

Town of Barrackville
Barrackville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Town of Barrackville in Marion County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2010 A Bonds, dated December 22, 2010, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a bond purchase agreement for the Series 2010 B Bonds, dated December 22, 2010, including all schedules and exhibits attached thereto, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), a Bond Ordinance duly enacted by the Issuer on September 21, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 13, 2010 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation, Loan Agreement and the Bond Purchase Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder, and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

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

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

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

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the DEP, the Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance dated December 1, 2009.

6. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on July 15, 2010, which became Final Order on August 4, 2010, and Commission Order dated December 8, 2010, in Case No. 10-0041-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final

Order has expired prior to the date hereof without any appeal. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Such order remains in full force and effect.

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

8. We have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. We have also ascertained that all successful bidders have made the required provisions for all insurance and payment and performance bonds and we will verify such insurance policies and bonds for accuracy. We have reviewed the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation, the Loan Agreement and the Bond Purchase Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

J. Scott Tharp
Tharp, Liotta & Yokum

JST:lek

THARP, LIOTTA & YOKUM, LLP
ATTORNEYS AT LAW
WESBANCO BANK BUILDING
FAIRMONT, WEST VIRGINIA 26555-1509
P. O. BOX 1509

J. SCOTT THARP
KAREN M. YOKUM
JARROD G. DEVAULT
JAMES A. LIOTTA (1946-2005)

TELEPHONE (304) 363-1123
FAX NO. (304) 366-1386
E-MAIL ADDRESS:
TLJY@access.mountain.net

December 22, 2010

Town of Barrackville
Barrackville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, WV 25311

West Virginia Department of Environmental Protection
Charleston, West Virginia

RE: Final Title Opinion
Town of Barrackville
Sanitary Sewer Project, Contracts I and II

Gentlemen:

The firm represents the Town of Barrackville ("Barrackville") with regard to a proposed project to construct and improve its existing sanitary sewer system (the "Project"), and provides this final title opinion on behalf of Barrackville to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") and West Virginia Clean Water Revolving Loan Fund ("CWSRF") with regard to the infrastructure fund and CWSRF financing proposed for the project. Please be advised of the following:

1. That I am of the opinion that the Town of Barrackville is a duly created municipality of the State of West Virginia possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate, and maintain the project.

2. That the Town of Barrackville has obtained approval for all necessary permits and approvals for the construction for the project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the project as set forth in the plans for the project prepared by Ghosh Engineering, the consulting engineers for the project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Marion County, West Virginia, the County in which the project is to be located, and, in my opinion, Barrackville has acquired legal title or such other estate or interests in the necessary site components for the project, including 100% of all the real property and 100% of all the easements and/or rights of way sufficient to assure undisturbed use and possession for the purpose of construction, operation, and maintenance for the estimated life of the facilities to be constructed for Contracts I and II of the project.

5. That any deeds or other documents which have been acquired to date by Barrackville have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of Barrackville.

Very truly yours,



J. Scott Tharp

JST:lek

cc: Samme Gee
Sheena Hunt, Region VI
Paul Ghosh

THARP, LIOTTA & YOKUM, LLP
ATTORNEYS AT LAW
WESBANCO BANK BUILDING
FAIRMONT, WEST VIRGINIA 26555-1509
P. O. BOX 1509

J. SCOTT THARP
KAREN M. YOKUM
JARROD G. DEVAULT
JAMES A. LIOTTA (1946-2005)

TELEPHONE (304) 363-1123
FAX NO. (304) 366-1386
E-MAIL ADDRESS:
TLJY@access.mountain.net

December 22, 2010

Town of Barrackville
Barrackville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, WV 25311

West Virginia Department of Environmental Protection
Charleston, West Virginia

RE: Final Title Opinion
Town of Barrackville
Sanitary Sewer Project,
Contract I Change Order

Gentlemen:

The firm represents the Town of Barrackville ("Barrackville") with regard to a proposed project to construct and improve its existing sanitary sewer system (the "Project"), and provides this final title opinion on behalf of Barrackville to satisfy the requirements of the West Virginia Clean Water Revolving Loan Fund ("CWSRF") and West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the infrastructure fund and CWSRF financing proposed for the project. Please be advised of the following:

1. That I am of the opinion that the Town of Barrackville is a duly created municipality of the State of West Virginia possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate, and maintain the project.

2. That the Town of Barrackville has obtained approval for all necessary permits and approvals for the construction for the project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the project as set forth in the plans for the Change Order to Contract I of the project as prepared by Ghosh Engineering, the consulting engineers for the project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Marion County, West Virginia, the County in which the project is to be located, and, in my opinion, Barrackville has acquired legal title or such other estate or interests in the necessary site components for the project, including 100% of all the real property and 100% of all the easements and/or rights of way sufficient to assure undisturbed use and possession for the purpose of construction, operation, and maintenance for the estimated life of the facilities to be constructed for the Change Order to Contract I of the project as designated by Ghosh Engineering.

5. That any deeds or other documents which have been acquired to date by Barrackville have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of Barrackville.

Very truly yours,

J. Scott Tharp

JST:lek

cc: Samme Gee
Sheena Hunt, Region VI
Paul Ghosh

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and RECORDER of the Town of Barrackville in Marion County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER hereby certifies on this 22nd day of December, 2010 in connection with the Issuer's Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), both dated the date hereof (collectively, the "Series 2010 Bonds" or individually, the "Series 2010 A Bonds" and the "Series 2010 B Bonds," respectively), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted September 21, 2010, and the Supplemental Resolution duly adopted December 13, 2010 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series 2010 Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues or any grants, or in any way contesting or affecting the validity of the Series 2010 Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2010 Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Series 2010 Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2010 Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Net Revenues or the pledge of Net Revenues as security for the Series 2010 Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Series 2010 Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894 (the "Series 1985 A Bonds"); and (ii) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379 (the "Series 1987 A Bonds). There are also outstanding obligations of the Issuer which will be junior and subordinate to the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the: (i) Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106 (the "Series 1985 B

Bonds"); and Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621 (the "Series 1987 B Bonds). The Series 1985 A Bonds, the Series 1987 A Bonds, the Series 1985 B Bonds, and the Series 1987 B Bonds may be hereinafter collectively referred to as the "Prior Bonds". The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the Prior Ordinance.

The Series 2010 Bonds shall be issued on a parity with the Series 1985 A Bonds the Series 1987 A Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 1985 A Bonds and Series 1987 A Bonds are met, (ii) the written consent of the registered owners of the Series 1985 A Bonds and the Series 1987 A Bonds to the issuance of the Series 2010 Bonds on a parity with the Prior Bonds, and (iii) written consent of the Holders of the Series 1985 B Bonds and the Series 1987 B Bonds to the issuance of the Series 2010 Bonds, senior and prior to the Series 1985 B Bonds and the Series 1987 B Bonds. Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement for Series 2010 A Bonds

Bond Purchase Agreement for Series 2010 B Bonds

Public Service Commission Orders

Infrastructure Council Approval

Town Charter

Ordinance creating Sanitary Board

Petition of Sanitary Board

Oaths of Office of Officers and Councilmembers

Resolution on Open Governmental Proceedings Rules

Sewer Rate Ordinance

Minutes on Enactment of Sewer Rate Ordinance and Notice of Public Hearing

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

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

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

Prior Bond Ordinances

Consent of WDA to Issuance of Parity Bonds

Evidence of Insurance

Evidence of Infrastructure Fund Grant

Receipt and Release of Series 2008 A Bonds

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Town of Barrackville". The Issuer is a municipal corporation in Marion County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, Recorder and four (4) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name		Date of Commencement of Office	Date of Termination of Office
Donna Hall	- Mayor	7/1/10	6/30/12
James Doyle	- Recorder	7/1/10	6/30/12
Stephen Higgins	- Councilmember	7/1/10	6/30/12
Mark A. Bolyard	- Councilmember	7/1/10	6/30/12
Robert Hollandsworth	- Councilmember	7/1/10	6/30/12
Randy Ice	- Councilmember	7/1/10	6/30/12
Roy L. Meeks	- Councilmember	7/1/10	6/30/12

The duly elected or appointed officers of the Sanitary Board for 2010 are as follows:

Donna Hall	- Chair
Cindy Fink	- Member
Charlie Waltz, P.E.	- Member

The duly appointed and acting Counsel to the Issuer is Tharp, Liotta & Yokum LLP, Fairmont, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or will be acquired 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 Series 2010 Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2010 Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. Prior to the execution of construction contracts by the Issuer, all insurance for the System required by the Bond Legislation will be in full force and effect.

10. LOAN AGREEMENT AND BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement and Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement and Bond Purchase Agreement do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement and Bond Purchase Agreement which should

be disclosed for the purpose for which it is to be used or which it is uecessary to disclose thereiu in order to make the statements and information in the Loan Agreement and Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement and Bond Purchase Agreement.

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

11. RATES: The Issuer has duly enacted a sewer rate ordinance on December 1, 2009, setting rates and charges of the System such rates are currently in full force and effect.

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

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

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2010 Bonds of the aforesaid issue, consisting upon original issuance of a single Bond of each series, dated the date hereof, by his or her manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon said Series 2010 Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2010 Bonds to a representative of the Authority as the original purchaser of the Series 2010 Bonds under the Loan Agreement and Bond Purchase Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS; GRANTS: On the date hereof, the Issuer received $496,496.26 from the Authority and the Council, being a portion of the principal amount of the Series 2010 A Bonds and $125,000 from the Authority and the DEP, being a portion of the principal amount of the Series 2010 B Bonds. The balance of the principal amount of the Series 2010 A Bonds and the Series 2010 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses. As of the date hereof, the Infrastructure Fund grant in the amount of $714,302 is committed for the Project and in full force and effect.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *The Times West Virginian*, a qualified newspaper of general circulation in the Town of Barrackville, no newspaper being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2010 Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 21st day of September, 2010, at 7:00 p.m., at the Barrackville Town Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Town Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on July 15, 2010, which became Final Order on August 4, 2010, and Commission Order dated December 8, 2010 in Case No.10-0041-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Such order remains in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2010 Bonds.

19. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2010 Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

18. CLEAN WATER ACT: The Project described in the Bond Ordinance complies with the Clean Water Act.

19. 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.

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

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Donna Hall	Mayor
Janice D Doyle	Recorder
	Counsel to Issuer

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to Issuer

050470.00001

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the Town of Barrackville in Marion County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $3,329,658 Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), and $2,500,000 Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, dated December 22, 2010 (the "Bonds" or the "Series 2010 Bonds"), hereby certifies on the 22nd day of December, 2010, as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on September21, 2010, as supplemented by Supplemental Resolution duly adopted by the Issuer on December 13, 2010 (the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 22, 2010, the date on which the Bonds are being physically delivered in exchange for an initial advance of $496,496.26, being a portion of the principal amount of the Series 2010 A Bonds and $125,000, being a portion of the principal amount of the Series 2010 B Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued

by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2010 A Bonds were sold on December 22, 2010, to the Authority, pursuant to a loan agreement dated December 22, 2010, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $3,329,658 (100% of par) (the "Loan Agreement"), at which time, the Issuer received $496,496.26 from the Authority and the Council, being the first advance of the principal amount of the Series 2010 A Bonds. No accrued interest has been or will be paid on the Series 2010 A Bonds. The balance of the principal amount of the Series 2010 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2010 B Bonds were sold on December 22, 2010, to the Authority, pursuant to a bond purchase agreement dated December 22, 2010, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), for an aggregate purchase price of $2,500,000 (100% of par) (the "Bond Purchase Agreement"), at which time, the Issuer received $125,000 from the Authority and the DEP, being the first advance of the principal amount of the Series 2010 B Bonds. No accrued interest has been or will be paid on the Series 2010 B Bonds. The balance of the principal amount of the Series 2010 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

7. The Series 2010 Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the Issuer's Sewerage System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Issuer (the "Project"); and (iii) paying certain costs of issuance of the Bonds and related costs.

8. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March, 2012. The acquisition and construction of the Project is expected to be completed by September 1, 2011.

9. The total cost of the Project is estimated at $6,543,960. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2010 A Bond	$3,329,658.00
Proceeds of the Series 2010 B Bond	$2,500,000.00
Infrastructure Fund Grant	$714,302.00
Total Sources	$6,543,960.00
USES	
Costs of Acquisition and Construction of the Project	$6,131,037.91
Payment of Series 2008 A Bonds	$383,922.09
Costs of Issuance	$29,000.00
Total Uses	$6,543,960.00

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2010 Bonds:

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

(2) Renewal and Replacement Fund;

(3) Series 2010 A Bonds Sinking Fund;

(4) Series 2010 A Bonds Reserve Account;

(5) Series 2010 B Bonds Sinking Fund;

(6) Series 2010 B Bonds Reserve Account; and

(7) Series 2010 Bonds Construction Trust Fund.

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

(1) Proceeds of the Series 2010 A Bonds in the amount of $-0- will be deposited with the Commission in the Series 2010 A Bonds Sinking Fund.

(2) Proceeds of the Series 2010 A Bonds in the amount of $-0- will be deposited with the Commission in the Series 2010 A Bonds Reserve Account.

(3) Proceeds of the Series 2010 B Bonds in the amount of $-0- will be deposited with the Commission in the Series 2010 B Bonds Sinking Fund.

(4) Proceeds of the Series 2010 B Bonds in the amount of $-0- will be deposited with the Commission in the Series 2010 B Bonds Reserve Account.

(5) Proceeds of the Series 2010 A Bonds in the amount of $383,922.09 will be deposited with the Commission to pay the Series 2008 A Bonds. The proceeds of the Series 2010 A Bonds, the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account will pay in full the outstanding fees, principal of and interest on the Series 2008 A Bonds.

(6) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

(7) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2010 B Bonds.

12. Monies held in the Series 2010 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2010 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2010 A Bonds Sinking Fund and Series 2010 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2010 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Monies held in the Series 2010 B Bonds Sinking Fund will be used solely to pay principal of and interest on, if any, the Series 2010 B Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2010 B Bonds Sinking Fund and Series 2010 B Bonds Reserve Account, if any, will be withdrawn therefrom aud deposited into the Series 2010 Bonds Construction Trust Fund during constructiou of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

14. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 9 months of the date hereof.

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

16. With the exception of the amount deposited in the Series 2010 A Bonds Reserve Account, if any, or the Series 2010 B Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 15 months from the date of issuance thereof.

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

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

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

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

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

22. The Issuer shall use the Bond proceeds solely for paying the Series 2008 A Bonds and for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

23. The Bonds are not federally guaranteed.

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

25. The Issuer has either (a) funded the Series 2010 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2010 A Bonds in the then current or any succeeding year with the proceeds of the Series 2010 A Bonds, or (b) created the Series 2010 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2010 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2010 A Bonds in the then current or any succeeding year. Monies in the Series 2010 A Bonds Reserve Account and the Series 2010 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

26. The Issuer has either (a) funded the Series 2010 B Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2010 B Bonds in the then current or any succeeding year with the proceeds of the Series 2010 B Bonds, or (b) created the Series 2010 B Bonds Reserve

Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2010 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2010 B Bonds in the then current or any succeeding year. Monies in the Series 2010 B Bonds Reserve Account and the Series 2010 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

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

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

[Remainder of Page Intentionally Left Blank]

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

TOWN OF BARRACKVILLE

By: Donna Hall

Its: Mayor

12.09.10
050470.00001

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Paul Ghosh, Registered Professional Engineer, West Virginia License No. 007806, of Ghosh Engineers, Inc., Charleston, West Virginia, hereby certify this 22nd day of December, 2010 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage system (the "System") of the Town of Barrackville (the "Issuer"), to be constructed in Marion County, West Virginia, which acquisition and construction are being permanently financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on September 21, 2010, as supplemented by the Supplemental Resolution of the Issuer adopted December 13, 2010 (collectively, the "Bond Legislation"), the Loan Agreement for the Series 2010 A Bonds by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated December 22, 2010, and the Bond Purchase Agreement for the Series 2010 B Bonds, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), dated December 22, 2010 (collectively, the "Loan Agreements").

2. The Bonds are being issued (i) to pay the Issuer's Sewerage System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) to pay a portion of the costs of acquisition and construction of the Project; and (iii) to pay certain costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP, the Council and the Authority and any change orders approved by the Issuer, the Authority, the Council, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its

intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and Tharp, Liotta & Yokum LLP, counsel to the Issuer, will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Bennett & Dobbins PLLC, of even date herewith, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the respective Loan Agreements; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneonsly deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council and the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project has been designed to, and the construction contracts provide for, sewer service for no new customers.

[Remainder of Page Intentionally Blank]

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

GHOSH ENGINEERS, INC.

(SEAL)

Paul Ghosh, P.E.
West Virginia License No. 007806



050470.00001

TOWN OF BARRACKVILLE 2007S-970

Final Schedule B

12/09/2010

	Contracts 1 & 2	Contract 3	Total	IJDC Grant	IJDC Loan	CWSRF
A. COST OF PROJECT						
1 Construction						
a Contract 1	2,286,164.00		2,286,164.00	0.00	2,286,164.00	0.00
b Contract 2	2,167,778.00		2,167,778.00	0.00	110,278.00	2,057,500.00
c. Change Order	0.00	714,642.00	714,642.00	473,235.09	241,406.91	0.00
2 Technical Services						
a Basic Design (Paid with WDA Design Loan)	12,500.00	0.00	12,500.00	0.00	12,500.00	0.00
b Engineering during construction	214,000.00	19,848.00	233,848.00	0.00	19,848.00	214,000.00
c. Resident Inspection	200,000.00	50,000.00	250,000.00	0.00	50,000.00	200,000.00
d. Special Services (As built)	14,000.00	6,000.00	20,000.00	0.00	6,000.00	14,000.00
3 Legal						
a Project & PSC	9,607.21	2,500.00	12,107.21	0.00	12,107.21	0.00
b Rights of Way (Legal)	23,000.00	5,000.00	28,000.00	0.00	28,000.00	0.00
c. Rate Ordinance (Legal)	3,338.70	0.00	3,338.70	0.00	3,338.70	0.00
4 Accounting	11,500.00	0.00	11,500.00	0.00	11,500.00	0.00
5 Administration (Region VI)	60,000.00	28,700.00	88,700.00	0.00	88,700.00	0.00
6 Sites & ROWs	40,000.00	15,000.00	55,000.00	0.00	55,000.00	0.00
7 Other						
a Legal Ads	1,393.09	0.00	1,393.09	0.00	1,393.09	0.00
b. Permits , fees	5,000.00	0.00	5,000.00	0.00	5,000.00	0.00
8 Payoff WDA Design Loan	383,922.09	0.00	383,922.09	0.00	383,922.09	0.00
9 Contingency						
Contract 1 & 2	222,274.91	18,792.00	241,066.91	241,066.91	0.00	0.00
10 SUBTOTAL Lines 1 through 9	5,654,478.00	860,482.00	6,514,960.00	714,302.00	3,315,158.00	2,485,500.00
B. COST OF FINANCING						
11 Funded Reserve	0.00	0.00	0.00	0.00	0.00	0.00
12 Registrar	1,000.00	0.00	1,000.00	0.00	500.00	500.00
13 Bond Counsel	28,000.00	0.00	28,000.00	0.00	14,000.00	14,000.00
14 SUBTOTAL Lines 11 through 13	29,000.00	0.00	29,000.00	0.00	14,500.00	14,500.00
15 TOTAL COST OF PROJECT (Line 10 plus line 14)	5,683,478.00	860,482.00	6,543,960.00	714,302.00	3,329,658.00	2,500,000.00
C. SOURCES OF FUNDS						
16 Federal Grants (SCBG)	0.00	0.00	0.00	0.00	0.00	0.00
17 State Grant (IJDC)	0.00	714,302.00	714,302.00	714,302.00	0.00	0.00
18 Other	0.00	0.00	0.00	0.00	0.00	0.00
19 SUBTOTAL GRANTS Lines 16 through 18	0.00	714,302.00	714,302.00	714,302.00	0.00	0.00
20 SIZE OF BOND ISSUE	5,683,478.00	146,180.00	5,829,658.00	0.00	3,329,658.00	2,500,000.00

Donna Tobell

Town of Barrackville

December 22, 2010

Ghosh Engineers, Inc.

December 22, 2010

Bennett & Dobbins PLLC
CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue
Fairmont, WV 26554-1604
Telephone: (304) 366-4295 Fax: (304) 366-4311

GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

December 22, 2010

Town of Barrackville
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund) and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

Town of Barrackville
Barrackville, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of the Town of Barrackville (the "Issuer"), enacted December 1, 2009, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Ghosh Engineers, Inc., the Consulting Engineer to the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program) (collectively, the "Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's: (i) Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894 (the "Series 1985 A Bonds"); (ii) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379 (the "Series 1987 A Bonds); (iii) Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106 (the "Series 1985 B Bonds"); and (iv) Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621 (the "Series 1987 B Bonds).

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, are not less than 115% 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,

Bennett & Dobbins PLLC

Bennett & Dobbins PLLC

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 12/22/2010

ISSUE: Town of Barrackville
Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund)

ADDRESS: P.O. Box 26, Barrackville, West Virginia 26559 COUNTY: Marion

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 12/22/2010 CLOSING DATE: 12/22/2010

ISSUE AMOUNT: $3,329,658 RATE: 0%

1ST DEBT SERVICE DUE: 09/01/2012 1ST PRINCIPAL DUE 09/01/2012

1ST DEBT SERVICE AMOUNT $12,500 PAYING AGENT: Issuer

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly
Contact: Samme Gee
Phone: 304.340.1318

CLOSING BANK:
Bank: First Exchange Bank
Contact: Brandi Haught
Phone: 304.333.2217

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Donna Hall
Position: Mayor, Town of Barrackville
Phone: 304.366.9372

OTHER:
Agency: West Virginia Jobs & Development Council
Contact: Jim Ellars
Position: Director
Phone: 304.558.4607

DEPOSITS TO MBC AT CLOSE

By:				
x	Wire		Accrued Interest:	$
	Check		Capitalized Interest:	$
			Reserve Account:	$
		x	Other: Series 2008 A	$ 383,922.09

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:				
	Wire		To Escrow Trustee	$
	Check		To Issuer	$
	IGT		To Cons. Invest. Fun	$
			To Other:	$

NOTES: The Series 2010 A Bonds Reserve Account will be funded monthly and the Issuer has also covenanted to transfer the Series 2010 B Bonds Reserve Account to the Series 2010 A Bonds Reserve Account upon maturity of the Series 2010 B Bonds.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

28A

Barrackville
Marion County, WV

	IJDC Grant	IJDC Loan	SRF Loan	Total
Commitment Date:		4/7/2010	3/1/2010	
Amount:	714,302	3,329,658	2,500,000	6,543,960
Closing Date:		12/22/2010	12/22/2010	
First Principal Payment Date:		9/1/2012	9/1/2012	
Final Principal Payment Date:		12/1/1950	6/1/1942	
Fiscal Year Ending:		October 1	October 1	
Interest Rate:		0%	0%	
Administrative Fee:		N/A	0.50%	

Reserve Requirement Calculation	
Maximum Annual Debt Ser	186,819
Current Reserve:	79,737
New Reserve Requirement	107,082

Fiscal Year (Oct 1)	Series 1985 (WDA)	Series 1987 (WDA)	Total (Existing)	Series 2010 A (IJDC)	Series 2010 B (SRF)	Subtotal All Debt	2010 A & 2010 B Reserve Payments	2010 A Reserve	2010 B Reserve
2010	70,262	9,475	79,737			79,737			
2011	70,262	9,475	79,737			79,737			
2012	70,262	9,475	79,737	12,500	11,591	103,828	2,679	1,250	1,429
2013	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2014	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2015	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2016	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2017	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2018	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2019	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2020	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2021	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2022	70,262	9,475	79,737	50,000	49,120	178,857	7,959	3,750	4,209
					Sub Total in Reserve Account		107,082	50,000	57,082
2023	70,262	9,475	79,737	50,000	57,080	186,817			
2024	70,262	9,475	79,737	50,000	57,080	186,817			
2025	70,262	9,475	79,737	50,000	57,080	186,817			
Transfer of 1985 A & 1985 B Bonds Reserve Accounts to 2010 A & 2010 B Reserve Accounts							70,262	16,848	53,414
					Sub Total in Reserve Account			66,848	110,496
2026		9,475	9,475	66,848	110,496	186,819			
Transfer of 1987 A & 1987 B Bonds Reserve Accounts to 2010 A Bonds Reserve Account							9,475	9,475	0
					Sub Total in Reserve Account			76,323	110,496
2027				76,320	110,496	186,816			
2028				76,320	110,496	186,816			
2029				76,320	110,496	186,816			
2030				76,320	110,496	186,816			
2031				76,320	110,496	186,816			
2032				76,320	110,496	186,816			
2033				76,320	110,495	186,815			
2034				76,320	110,492	186,812			
2035				76,320	110,492	186,812			
2036				76,320	110,492	186,812			
2037				76,320	110,492	186,812			
2038				76,320	110,492	186,812			
2039				76,320	110,492	186,812			
2040				76,320	110,492	186,812			
2041				76,320	110,492	186,812			
2042				103,948	82,870	186,818			
Transfer of 2010 B Bonds Reserve Account							110,496	87,505	(87,505)
					Sub Total in Reserve Account			163,828	22,991
2043				163,828		163,828			
2044				163,828		163,828			
2045				163,828		163,828			
2046				163,825		163,825			
2047				163,824		163,824			
2048				163,824		163,824			
2049				163,824		163,824			
2050				163,824		163,824			
2051				40,957		40,957			
TOTAL				3,329,658	2,500,000				

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 12/22/2010

ISSUE: Town of Barrackville
Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)

ADDRESS: P.O. Box 26, Barrackville, West Virginia 26559 COUNTY: Marion

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 12/22/2010

CLOSING DATE:

ISSUE AMOUNT: $2,500,000

RATE: 0% 1/2% admin fee

1ST DEBT SERVICE DUE: 09/01/2012

1ST PRINCIPAL DUE 09/01/2012

1ST DEBT SERVICE AMOUNT $11,591

PAYING AGENT: Issuer

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly
Contact: Samme Gee
Phone: 304.340.1318

CLOSING BANK:
Bank: First Exchange Bank
Contact: Brandi Haught
Phone: 304.333.2217

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Donna Hall
Position: Mayor, Town of Barrackville
Phone: 304.366.9372

OTHER:
Agency: West Virginia Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: 304.926.0499 x1608

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Fun $
To Other: $

NOTES: The Series 2010 B Bonds Reserve Account will be funded monthly and the Issuer has also covenanted to transfer the Series 1985 A Bonds Reserve Account, Series 1985 B Bonds Reserve Account, Series 1987 A Bonds Reserve Account and Series 1987 B Bonds Reserve Account to the Series 2010 B Bonds Reserve Account upon maturity of the Series 1985 A Bonds, Series 1985 B Bonds, Series 1987 A Bonds & Series 1987 B Bonds, respectively

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

28B

Barrackville
Marion County, WV

	IJDC Grant	IJDC Loan	SRF Loan	Total
Commitment Date:		4/7/2010	3/1/2010	
Amount:	714,302	3,329,658	2,500,000	6,543,960
Closing Date:		12/22/2010	12/22/2010	
First Principal Payment Date:		9/1/2012	9/1/2012	
Final Principal Payment Date:		12/1/1950	6/1/1942	
Fiscal Year Ending:		October 1	October 1	
Interest Rate:		0%	0%	
Administrative Fee:		N/A	0.50%	

Reserve Requirement Calculation	
Maximum Annual Debt Ser	186,819
Current Reserve:	79,737
New Reserve Requirement	107,082

Fiscal Year (Oct 1)	Series 1985 (WDA)	Series 1987 (WDA)	Total (Exisiting)	Series 2010 A (IJDC)	Series 2010 B (SRF)	Subtotal All Debt	2010 A & 2010 B Reserve Payments	2010 A Reserve	2010 B Reserve
2010	70,262	9,475	79,737			79,737			
2011	70,262	9,475	79,737			79,737			
2012	70,262	9,475	79,737	12,500	11,591	103,828	2,679	1,250	1,429
2013	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2014	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2015	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2016	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2017	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2018	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2019	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2020	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2021	70,262	9,475	79,737	50,000	46,364	176,101	10,716	5,000	5,716
2022	70,262	9,475	79,737	50,000	49,120	178,857	7,959	3,750	4,209
						Sub Total in Reserve Account	107,082	50,000	57,082
2023	70,262	9,475	79,737	50,000	57,080	186,817			
2024	70,262	9,475	79,737	50,000	57,080	186,817			
2025	70,262	9,475	79,737	50,000	57,080	186,817			
Transfer of 1985 A & 1985 B Bonds Reserve Accounts to 2010 A & 2010 B Reserve Accounts							70,262	16,848	53,414
						Sub Total in Reserve Account		66,848	110,496
2026		9,475	9,475	66,848	110,496	186,819			
Transfer of 1987 A & 1987 B Bonds Reserve Accounts to 2010 A Bonds Reserve Account							9,475	9,475	0
						Sub Total in Reserve Account		76,323	110,496
2027				76,320	110,496	186,816			
2028				76,320	110,496	186,816			
2029				76,320	110,496	186,816			
2030				76,320	110,496	186,816			
2031				76,320	110,496	186,816			
2032				76,320	110,496	186,816			
2033				76,320	110,495	186,815			
2034				76,320	110,492	186,812			
2035				76,320	110,492	186,812			
2036				76,320	110,492	186,812			
2037				76,320	110,492	186,812			
2038				76,320	110,492	186,812			
2039				76,320	110,492	186,812			
2040				76,320	110,492	186,812			
2041				76,320	110,492	186,812			
2042				103,948	82,870	186,818			
Transfer of 2010 B Bonds Reserve Account							110,496	87,505	(87,505)
						Sub Total in Reserve Account		163,828	22,991
2043				163,828		163,828			
2044				163,828		163,828			
2045				163,828		163,828			
2046				163,825		163,825			
2047				163,824		163,824			
2048				163,824		163,824			
2049				163,824		163,824			
2050				163,824		163,824			
2051				40,957		40,957			
TOTAL				3,329,658	2,500,000				

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Exchange Bank, Mannington, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance of the Town of Barrackville (the "Issuer") enacted September 21, 2010, and the Supplemental Resolution of the Issuer adopted December 13, 2010 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), both dated December 22, 2010, issued in the respective principal amounts of $3,329,658 and $2,500,000 (collectively, the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 22nd day of December, 2010.

FIRST EXCHANGE BANK

By: _____
Its: Authorized Officer

12.09.10
050470.00001

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Barrackville Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), both dated December 22, 2010, issued in the respective principal amounts of $3,329,658 and $2,500,000 (collectively, the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 22nd day of December, 2010.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02.01.10
050470.00001

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the Town of Barrackville (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, dated December 22, 2010, in the principal amount of $3,329,658, numbered AR-1, and the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, dated December 22, 2010, in the principal amount of $2,500,000, numbered BR-1, were registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 22nd day of December, 2010.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

12.09.10
050470.00001

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 22nd day of December, 2010, by and between the TOWN OF BARRACKVILLE, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $3,329,658 Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) and $2,500,000 Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in fully registered form (collectively, the "Bonds"), pursuant to the Bond Ordinance of the Issuer duly enacted September 21, 2010, and the Supplemental Resolution of the Issuer duly adopted December 13, 2010 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the

United States Treasury Department or by the Municipal Secnrities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schednle.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice seut by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Town of Barrackville
P.O. Box 26
Barrackville, West Virginia 26559
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The Registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

TOWN OF BARRACKVILLE

By: Donna Hall
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

12.09.10
050470.00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

IC-2
(7/09)

GRANT AGREEMENT
(2007S-970a)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the TOWN OF BARRACKVILLE (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $714,302 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit B attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit A, unless the Council and Authority are provided replacement instructions in writing.

5. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

TOWN OF BARRACKVILLE

By: Donna Hall
Its: Mayor
Date: December 22, 2010

(SEAL)

Attest:
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By:
Its: Executive Director
Date: December 22, 2010

(SEAL)

Attest: Carol A. Cummings
Its: Authorized Officer

Exhibit B

Project Description

The Project consists of acquisition and construction certain extensions, additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of separation of the combined sanitary and stormwater sewer system, installation of new sewer lines and the rehabilitation of sewage pumping stations, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Governmental Agency, which constitute properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes, together with all appurtenant facilities.

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2010

December 22, 2010

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund), and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Bennett & Dobbins PLLC, independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, as bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Series 1985 A Bonds, the Series 1985 B Bonds, the Series 1987 Series A Bonds, and the Series 1987 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) and the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program) (collectively, the "Series 2010 Bonds"), in the respective aggregate principal amounts of $3,329,658 and $2,500,000, by the Town of Barrackville (the "Issuer"), under the terms of the ordinance authorizing the Series 2010 Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding (i) Sewer Revenue Bonds, Series 1985 A (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $618,894 (the "Series 1985 A Bonds"), and (ii) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $100,379 (the "Series 1987 A Bonds), and senior to the Issuer's outstanding: (i) Sewer Revenue Bonds, Series 1985 B (West Virginia Water Development Authority), dated December 9, 1985, issued in the original aggregate principal amount of $308,106 (the "Series 1985 B Bonds"), and (ii) Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 6, 1987, issued in the original aggregate principal amount of $24,621 (the "Series 1987 B Bonds).

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Carol A. Cummings

Authorized Representative

12.09.10
050470.00001

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

TOWN OF BARRACKVILLE

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund); and
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

RECEIPT OF PAYMENT OF SERIES 2008 A BONDS

The undersigned, authorized representative of the West Virginia Municipal Bond Commission (the "Commission"), hereby certifies as follows:

On the 22nd day of December, 2010, the Authority received the sum of $383,922.09 from the Town of Barrackville and such amount, together with the transfers from Series 2008 A Bonds Sinking Fund in the amount of $13,960.75 and Series 2008 A Bonds Reserve Fund in the amount of $1,750.69, is sufficient to pay the Commission fees and the entire outstanding principal of and all accrued interest on the Town of Barrackville Sewerage System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated June 6, 2008, issued in the original aggregate principal amount of $396,000, to the date hereof and discharge the liens, pledges and encumbrances securing such Bonds.

WITNESS my signature on this 22nd day of December, 2010.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Representative

12.09.10
050470.00001

CH5330286

Rev. 10/01/04

Payment Requisition Form

1. Loan Recipient/Vendor:

2. SRF Project No. C 544:438

Name: Town of Barrackville
Address: P. O. Box 26, 716 Pike Street
Barrackville, W 26559
Phone: (304) 366-9372
FEIN: 55-0569957

3. Invoice Number: 01

4. Period Covered by This Request:
From: (Mo/Day/Yr) 11/20/2010 To: (Mo/Day/Yr) 12/7/2010

5. Percentage of Physical Construction Completion: 0.00%

Classification	A) Appproved Budget	B) Previous Approved Totals	C) This Request	D) Total (B+C)	Remaining Amount	E) Approved Agency Use Only
1) Construction	$ 2,057,500.00	$ -	$ 110,500.00	$ 110,500.00	$1,947,000.00	
2) Technical Services:	$ -	$ -	$ -	$ -	$ -	
a. Basic	$ -	$ -	$ -	$ -	$ -	
b. Construction Management	$ 214,000.00	$ -	$ -	$ -	$ 214,000.00	
c. Inspection	$ 200,000.00	$ -	$ -	$ -	$ 200,000.00	
d. Special	$ 14,000.00	$ -	$ -	$ -	$ 14,000.00	
3) Legal	$ -	$ -	$ -	$ -	$ -	
4) Accounting	$ -	$ -	$ -	$ -	$ -	
5) Administrative	$ -	$ -	$ -	$ -	$ -	
6) Permits & Fees	$ -	$ -	$ -	$ -	$ -	
7) Sites & Land	$ -	$ -	$ -	$ -	$ -	
8) Contingency	$ -	$ -	$ -	$ -	$ -	
9) Reserve Fund	$ -	$ -	$ -	$ -	$ -	
10) Closing Costs	$ 14,500.00	$ -	$ 14,500.00	$ 14,500.00	$ -	
11) Sub Total	**$ 2,500,000.00**	**$ -**	**$ 125,000.00**	**$ 125,000.00**	**$2,375,000.00**	
12) Less Previously Paid	$ -	$ -		$ -	$ -	
13) Invoice Amount	**$ 2,500,000.00**	**$ -**	**$ 125,000.00**	**$ 125,000.00**	**$2,375,000.00**	

15) Donna Hall
RECIPIENT AUTHORIZED SIGNATURE
DATE: 12/07/10
Donna Hall, Mayor
Typed or Printed Name and Title

16) Sheena Hunt
PERSON PREPARING FORM SIGNATURE
DATE: 12/07/10
Sheena Hunt, Project Manager
Typed or Printed Name and Title

Agency Use Only:

This Request Approved By: West Virginia Division of Environmental Protection

Project Reviewer _____ Date _____

Authorized Officer _____ Date _____

ACCOUNTING CLASSIFICATION: DEPARTMENT USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350-1	
350-2	

SWEEP RESOLUTION

WHEREAS, the Town of Barrackville (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and the Recorder are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 13th day of December, 2010.

Donna Hall

Mayor

Recorder

TOWN OF BARRACKVILLE

SEWER REVENUE BONDS, SERIES 1985 A AND SERIES 1985 B
and
SEWERAGE SYSTEM
GRANT ANTICIPATION NOTES, SERIES 1985

BOND AND NOTES ORDINANCE

Table of Contents

Subject		Page
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Ordinance	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	3
ARTICLE II - AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT		
Section 2.01	Authorization of Construction and Acquisition of the Project	13
ARTICLE III - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT		
Section 3.01	Authorization of Bonds	14
Section 3.02	Terms of Bonds	14
Section 3.03	Execution of Bonds	15
Section 3.04	Authentication and Registration	15
Section 3.05	Negotiability, Transfer and Registration	15
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	16
Section 3.07	Bonds not to be Indebtedness of the Issuer	17
Section 3.08	Bonds Secured by Pledge of Net Revenues; Series 1985 B Bonds to be Junior and Subordinate to Series 1985 A Bonds	17
Section 3.09	Form of Original Bonds	17
	FORM OF SERIES 1985 A BOND	18
	FORM OF SERIES 1985 B BOND	25
Section 3.10	Sale of Original Bonds; Execution of Loan Agreement with Authority	32

ARTICLE IV - NOTES

Section 4.01	Authorization and General Terms	33
Section 4.02	Terms of and Security for Notes; Trust Indenture	33
Section 4.03	Notes are Special Obligations	33
Section 4.04	Letters of Credit	33

ARTICLE V - SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	34
Section 5.02	Establishment of Funds and Accounts with Commission	34
Section 5.03	System Revenues; Flow of Funds	34

ARTICLE VI - BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	40

ARTICLE VII - ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	41
Section 7.02	Bonds and Notes not to be Indebtedness of the Issuer	41
Section 7.03	Bonds Secured by Pledge of Net Revenues	41
Section 7.04	Initial Schedule of Rates and Charges; Rules	42
Section 7.05	Sale of the System	42
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	43
Section 7.07	Parity Bonds	44
Section 7.08	Books and Records	46
Section 7.09	Rates	47
Section 7.10	Operating Budget and Audit	48
Section 7.11	No Competing Franchise	48
Section 7.12	Enforcement of Collections	49
Section 7.13	No Free Services	49
Section 7.14	Insurance and Construction Bonds	50
Section 7.15	Mandatory Connections	51
Section 7.16	Completion of Project	51

ARTICLE VIII - INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments	52
Section 8.02	Restrictions as to Arbitrage Bonds	52

ARTICLE IX - DEFAULT AND REMEDIES

Section 9.01	Events of Default	53
Section 9.02	Remedies	54
Section 9.03	Appointment of Receiver	54

ARTICLE X - DEFEASANCE

Section 10.01	Defeasance of Series 1985 A Bonds	56
Section 10.02	Defeasance of Series 1985 B Bonds	57
Section 10.03	Defeasance of Notes	58

ARTICLE XI - MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	59
Section 11.02	Bond Legislation Constitutes Contract	59
Section 11.03	Severability of Invalid Provisions	59
Section 11.04	Headings, Etc.	59
Section 11.05	Amendments to Maintain Tax Exemption	
Section 11.06	Conflicting Provisions Repealed	60
Section 11.07	Covenant of Due Procedure, Etc.	60
Section 11.08	Effective Time	60
Section 11.09	Statutory Notice and Public Hearing	60

SIGNATURES 61
CERTIFICATION 62

11/26/85
BARR2-B

TOWN OF BARRACKVILLE

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 A, NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 B, AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF GRANT ANTICIPATION NOTES, SERIES 1985; 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 TOWN COUNCIL OF THE TOWN OF BARRACKVILLE:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolutions supplemental hereto, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The Town of Barrackville (the "Issuer") is a municipal corporation of the State of West Virginia in Marion County of said State.

B. The Issuer presently owns and operates a public sewage collection system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additional sewerage collection facilities of the Issuer (the "Project") which constitute properties for the 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 $2,840,200, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Secretary of the Sanitary Board 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 Fund, Reserve Account and other payments provided for herein.

D. The Sanitary Board of the Issuer has presented a petition to the Issuer for enactment of this Bond and Notes Ordinance.

E. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $1,050,000 in two series, being the Series 1985 A Bonds in the aggregate principal amount of not more than $700,000 and the Series 1985 B Bonds in the aggregate principal amount of not more than $350,000 (collectively, the "Bonds"), and contemporaneously therewith, or as soon as practicable thereafter, to issue its Sewerage System Grant Anticipation Notes, Series 1985 (the "Notes") in the principal amount of not more than $2,500,000 to finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the 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 to the Credit Bank, as hereinafter defined, 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.

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

G. It is in the best interests of the Issuer that its Original Bonds (as hereinafter defined) be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority.

H. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds and the Notes as to lien and source of and security for payment.

I. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and 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 have expired.

Section 1.03. Bond Legislation 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 Bond Legislation 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 equal benefit, protection and security of the registered owners of any and all of such Bonds and Notes, respectively, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and between any one Note and any other Note, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Town of Barrackville or any acting Mayor duly appointed by the Governing Body.

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

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

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

"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.

"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 Bernard G. Sampson Co., Inc., Fairmont, 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(E) hereof to be a part of the cost of construction and acquisition of the Project.

"Depository Bank" means the bank designated as such in the 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 councilmembers, the Mayor and the Recorder.

"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, 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 Article 8.01 hereof) or any Tap Fees, as hereinafter defined, and for the furnishing by the Issuer of miscellaneous service.

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

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

"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" means the Town of Barrackville in Marion County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer, the Sanitary Board and any other commission, board or department established by the Issuer to operate and maintain the System.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement to be entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized by, the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"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 the not more than $2,500,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, Series 1985, 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 Construction Trust Fund" means the Notes Construction Trust Fund established by Section 4.02 of the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund established by Section 4.01 of the Indenture.

"Notes Registrar" means the bank to be designated as such in the Indenture or the 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, Paying Agent and the Trustee (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 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.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund established by Section 5.01 hereof.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $700,000 in aggregate principal amount of Series 1985 A Bonds and not more than $350,000 in aggregate principal amount of Series 1985 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto, which Bonds shall be issued in accordance with a resolution or resolutions supplemental hereto and which are originally authorized hereby.

"Original Notes Purchaser" means G. L. Cottrill & Company, Inc., of Charleston, West Virginia.

"Other Grants" means any other grant or grants, other than the EPA 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 on a parity with the Series 1985 B Bonds.

"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.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain sewerage 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; 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; and

(h) The Investment Agreement by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution.

"Recorder" means the Recorder or Town Clerk of the Issuer.

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

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

"Sanitary Board" means the Sanitary Board of the Issuer heretofore established by ordinance duly enacted by the Issuer and successors to the function thereof.

"Series 1985 A Bonds" means the not more than $700,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1985 A. of the Issuer.

"Series 1985 A Bonds Reserve Account" means the Series 1985 A Bonds Reserve Account established in the Series 1985 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1985 A Bonds Reserve Requirement" means, as of any date of calculation the maximum amount of principal and interest which will become due on the Series 1985 A Bonds in any succeeding Fiscal Year.

"Series 1985 A Bonds Sinking Fund" means the Series 1985 A Sinking Fund established by Section 5.02 hereof.

"Series 1985 B Bonds" means the not more than $350,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1985 B, of the Issuer.

"Series 1985 B Bonds Reserve Account" means the Series 1985 B Bonds Reserve Account established in the Series 1985 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1985 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1985 B Bonds in any succeeding Fiscal Year.

"Series 1985 B Bonds Sinking Fund" means the Series 1985 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds 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.

"System" means the complete properties of the Issuer for the collection, transportion and treatment of liquid or solid wastes, sewage or industrial wastes, in its entirety or any integral part thereof, and shall include the existing facilities, the Project and any further additions, betterments and improvements thereto hereafter constructed or acquired for said system from any sources whatsoever.

"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 and for the Bond Construction Trust Fund created under Section 6.01 hereof, its successors and assigns.

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 $2,840,200, 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 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, and for such other purposes as may be set forth in the Supplemental Resolution, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $1,050,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1985 A," in the aggregate principal amount of not more than $700,000, and "Sewer Revenue Bonds, Series 1985 B," in the aggregate principal amount of $350,000, 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) 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 Bonds. The Bonds shall bear interest at such rate or rates, not exceeding 12% per annum, or such other rate as shall then be the legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Commission, through a Paying Agent or Paying Agents selected by the original purchaser or purchasers thereof, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds, shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a payment record attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided 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, with principal installments or maturities, as applicable, corresponding to the

dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds 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 Recorder. 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 Bond Legislation unless and until the Certificate of Authentication 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 upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered, if applicable, and delivered under this Bond Legislation. The Certificate of Authentication 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 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 registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be 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 15 days preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

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; Series 1985 B Bonds to be Junior and Subordinate to Series 1985 A Bonds. The payment of the debt service of all the Series 1985 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1985 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1985 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Fund and the Reserve Account therein hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Series 1985 A Bonds and the Series 1985 B Bonds, 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 any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1985 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1985 A

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 "Payee") the sum of _____ ($_____), in installments on _____ 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 Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the 1st day of _____, and the 1st day of _____ in each year beginning _____ 1, 19___. 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 Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar and paying agent (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 _____ day of the month preceding an interest payment date.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportion 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 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the _____ day of _____, 19___, and a Supplemental Resolution adopted by the Issuer on the _____ day of _____, 19___ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1985 B, of the Issuer (the "Series 1985 B Bonds") issued in the aggregate principal amount of $_____, which Series 1985 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this series.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 A Bonds Reserve Account and the reserve account established for the Series 1985 B Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in any succeeding fiscal year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is

made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Town Clerk, and has caused this Bond to be dated _____, 1985.

[SEAL]

_____
Mayor

ATTEST:

_____
Town Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,
as Bond Registrar

By _____
Its Authorized Officer

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 Series 1985 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1985 B

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 "Payee") the sum of _____ ($_____), in _____ equal annual installments of $_____ each, on _____ 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 Kanawha Valley Bank, N.A., 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 West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportion 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 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the _____ day of _____, 19___, and a Supplemental Resolution adopted by the Issuer on the _____ day of _____, 19___ (collectively called the ""Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of

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

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on the Series 1985 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 B Bonds Reserve Account and the reserve account established for the Series A Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on all obligations payable from such net revenues which may be issued in any succeeding fiscal year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1985 A BONDS").

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Town Clerk, and has caused this Bond to be dated _____, 1985.

[SEAL]

_____
Mayor

ATTEST:

_____
Town Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,
as Bond Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.10. Sale of Original Bonds; Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Mayor is specifically authorized and directed to execute the Loan Agreement in such form or forms as may be approved by Supplemental Resolution, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority.

ARTICLE IV

NOTES

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer shall issue and sell its Notes in the aggregate principal amount of not to exceed $2,500,000. 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 and 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 in substantially the form to be executed and delivered by the Issuer is 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 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 $300,000 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.

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;

(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 Commission. The following special funds or accounts are hereby established with the Commission:

(1) Series 1985 A Bonds Sinking Fund;

(a) Within the Series 1985 A Bonds Sinking Fund, the Series 1985 A Bonds Reserve Account.

(2) Series 1985 B Bonds Sinking Fund;

(a) Within the Series 1985 B Bonds Sinking Fund the Series 1985 B Bonds Reserve Account.

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

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

(2) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1985 A Bonds, apportion and set apart out of the Revenue Fund and remit to the

Commission, for deposit in the Series 1985 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1985 A Bonds on the next ensuing semiannual interest payment date, less any moneys transferred from the Series 1985 A Bonds Reserve Account for the purpose of making interest payments and investment earnings on sums previously deposited in the Series 1985 A Bonds Sinking Fund for the purpose of making interest payments on the Series 1985 A Bonds; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1985 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1985 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1985 A Bonds on the next ensuing principal payment date, less any moneys transferred from the Series 1985 A Bonds Reserve Account for the purpose of making principal payments and investment earnings on sums previously deposited in the Series 1985 A Bonds Sinking Fund for the purpose of making principal payments on the Series 1985 A Bonds.

(4) 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 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1985 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1985 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 1985 A Bonds Reserve Requirement.

Moneys in the Series 1985 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1985 A Bonds as the same shall become due. Moneys in the Series 1985 A Bonds Reserve Account in the Series 1985 A Bonds Sinking Fund shall be used only for the purpose of paying principal of or

interest on the Series 1985 A Bonds, as the same shall come due, when other moneys in the Series 1985 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1985 A Bonds Reserve Account shall be transferred, not less than once each year, to the Series 1985 A Bonds Sinking Fund and applied in full to the next ensuing principal payment due on the Series 1985 A Bonds.

Any withdrawals from the Series 1985 A Bonds Reserve Account which result in a reduction in the balance of the Series 1985 A Bonds Reserve Account to below the Series 1985 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1985 A Bonds Sinking Fund for payment of debt service on the Bonds have been made in full.

(5) The Issuer shall not be required to make any further payments into the Series 1985 A Bonds Sinking Fund or the Series 1985 B Bonds Sinking Fund or into the Reserve Accounts therein 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 Bonds issued pursuant to this Bond Legislation then Outstanding.

(6) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after commencement of operation of the System, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts in the Sinking Funds. 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 either Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required by

Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(7) 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 1985 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1985 B Bonds on the next ensuing principal payment date, less any moneys transferred from the Series 1985 B Bonds Reserve Account for the purpose of making principal payments and investment earnings on sums previously deposited in the Series 1985 B Bonds Sinking Fund for the purpose of making principal payments on the Series 1985 B Bonds.

(8) 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 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1985 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1985 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1985 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1985 B Bonds Reserve Requirement.

Moneys in the Series 1985 B Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 1985 B Bonds as the same shall become due. Moneys in the Series 1985 B Bonds Reserve Account in the Series 1985 B Bonds Sinking Fund shall be used only for the purpose of paying principal of the Series 1985 B Bonds, as the same shall come due, when other moneys in the Series 1985 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1985 B Bonds Reserve Account shall be transferred, not less than once each year, to the Series 1985 B Bonds Sinking Fund and applied in full to the next ensuing principal payment due on the Series 1985 B Bonds.

Any withdrawals from the Series 1985 B Bonds Reserve Account which result in a reduction in the balance of the Series 1985 B Bonds Reserve Account to below the Series 1985 B Bonds Reserve Requirement shall be

subsequently restored from the first Net Revenues available after all required payments to the Series 1985 A and Series 1985 B Bonds Sinking Funds for payment of debt service on the Bonds have been made in full.

As and when additional Bonds ranking on a parity with the Series 1985 B Bonds are issued, provision shall be made for additional payments into the Series B Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the 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 all the Series 1985 B Bonds, including such additional Series 1985 B Bonds which by their terms are payable from such Sinking Fund.

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 times 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 Bond Legislation.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 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 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, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the Issuer, 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 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 purposes of the System.

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. Any accrued interest received from the sale shall be deposited in the appropriate Sinking Fund and applied to the first interest payment due on the applicable Series of Bonds.

B. The amount of the proceeds which together with the proceeds deposited pursuant to Subsection (A) of this section and 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 6 months after the estimated date of completion of construction of the Project.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank (which shall 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 the Indenture.

D. The Depository Bank shall act as a trustee and 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 set forth in the Indenture. 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.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the 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.

Until the payment in full of the principal of and interest on the Notes when due, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.04 and Section 7.09 shall not be applied to the Notes.

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 Bond Legislation. 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 Series 1985 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System and payment of the debt service of the Series 1985 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1985 A Bonds, 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 Fund, including the Reserve Account therein, and all other payments

provided for in the Bond Legislation 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 Bond Legislation.

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 dated September 3, 1985.

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, 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 Fund, and, in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the 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 the 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 noc in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment 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 Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all the Bonds 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 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 for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. 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 Bond Legislation; 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 1985 B Bonds only 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 respects, to both the Series 1985 A Bonds an the Series 1985 B Bonds; 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.

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

Section 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 Bond Legislation, 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 Series 1985 A Bonds. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1985 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

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

(A) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates 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 Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. 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 Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of both the Series 1985 A Bonds and the Series 1985 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with either the Series 1985 A Bonds or the Series 1985 B Bonds.

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

B. Notwithstanding the foregoing, Parity Bonds may be issued solely for the purpose of completing the Project 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 if any Notes are then Outstanding, the Trustee, to the issuance of such Parity Bonds.

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 Bond Legislation 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 and the Authority, 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 Bond Legislation 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 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 and the Authority, 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 Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from 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 shall take 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 to finance the issuance of the Bonds as the purchasers thereof shall require. 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 succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account or junior bonds is funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

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 Engineers, which funding 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 and the Authority 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 Bond Legislation 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 enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules of the Issuer, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and any services and facilities of the water system, if then owned by the Issuer, to all delinquent users of services and facilities of the System and will not restore such services of either 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 Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. 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:

(A) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE,, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In 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.

(B) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $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.

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

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.

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 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

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 Bond Legislation 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 Bond Legislation, and the Indenture, the need for such moneys for the purposes set forth herein and in 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 Bond Commission and the Trustee that they shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond 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 purchaser of the Original Bonds.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; 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.

B. 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; or

(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 Bond Legislation, any supplemental resolution, the Indenture 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Bonds; or

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

Section 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 Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System (iii) bring suit upon the 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 Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners.

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all

defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1985 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1985 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 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1985 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1985 A 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 Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1985 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1985 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1985 A Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1985 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the 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 1985 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1985 B Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1985 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1985 B 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 Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1985 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1985 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1985 B Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1985 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the 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 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 Bond Legislation, 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 Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the 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. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

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

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

Section 11.05. 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 11.06. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and members of the the Town Council and the Sanitary 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 11.08. Effective Time. This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 11.09. 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 Times-West Virginian, a newspaper of general circulation in the Town of Barrackville, no newspaper being published in the Town of Barrackville, 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 Town Council shall take such action as it shall deem proper in the premises.

Passed on First Reading November 12, 1985

Passed on Second Reading November 19, 1985

Effective following public hearing held on December 3, 1985

[SEAL]

Mayor

ATTEST:

By _____
Town Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Barrackville following a public hearing thereon on this 3rd day of December, 1985.

[SEAL]

V. Lester Merrifield
Town Clerk

12/06/85
BARR2-A

62,154/yr
5179.50/mo

(SPECIMEN BOND - SERIES A)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1985 A

No. R-1 $618,894

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 "Payee") the sum of SIX HUNDRED EIGHTEEN THOUSAND EIGHT HUNDRED NINETY-FOUR DOLLARS ($618,894), 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 Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the 1st day of April, and the 1st day of October in each year beginning April 1, 1986. 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 Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar and paying agent (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 an interest payment date.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportion 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

8

Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the 3rd day of December, 1985, and a Supplemental Resolution adopted by the Issuer on the 3rd day of December, 1985 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1985 B, of the Issuer (the "Series 1985 B Bonds") issued in the aggregate principal amount of $308,106, which Series 1985 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this series.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 A Bonds Reserve Account and the reserve account established for the Series 1985 B Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in any succeeding fiscal year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond

Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, and has caused this Bond to be dated December 9, 1985.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,
as Bond Registrar

By _____
Its Authorized Officer

1985 A

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

-------1985 SERIES A BONDS-------

Period Ending 10/1	Coupon	Principal	Interest	Debt Service
1986	9.75%	$ 0.00	$ 48,625.05	$ 48,625.05
1987	9.75%	0.00	60,342.17	60,342.17
1988	9.75%	1,812.00	60,342.17	62,154.17
1989	9.75%	1,988.00	60,165.50	62,153.50
1990	9.75%	2,182.00	59,971.67	62,153.67
1991	9.75%	2,395.00	59,758.92	62,153.92
1992	9.75%	2,629.00	59,525.41	62,154.41
1993	9.75%	2,885.00	59,269.08	62,154.08
1994	9.75%	3,166.00	58,987.79	62,153.79
1995	9.75%	3,475.00	58,679.11	62,154.11
1996	9.75%	3,814.00	58,340.30	62,154.30
1997	9.75%	4,185.00	57,968.43	62,153.43
1998	9.75%	4,593.00	57,560.39	62,153.39
1999	9.75%	5,041.00	57,112.58	62,153.58
2000	9.75%	5,533.00	56,621.08	62,154.08
2001	9.75%	6,072.00	56,081.61	62,153.61
2002	9.75%	6,664.00	55,489.59	62,153.59
2003	9.75%	7,314.00	54,838.85	62,152.85
2004	9.75%	8,027.00	54,126.74	62,153.74
2005	9.75%	8,810.00	53,344.10	62,154.10
2006	9.75%	9,669.00	52,485.13	62,154.13
2007	9.75%	10,612.00	51,542.40	62,154.40
2008	9.75%	11,646.00	50,507.73	62,153.73
2009	9.75%	12,782.00	49,372.25	62,154.25
2010	9.75%	14,028.00	48,126.00	62,154.00
2011	9.75%	15,396.00	46,758.27	62,154.27
2012	9.75%	16,897.00	45,257.16	62,154.16
2013	9.75%	18,544.00	43,609.70	62,153.70
2014	9.75%	20,352.00	41,801.66	62,153.66
2015	9.75%	22,337.00	39,817.34	62,154.34
2016	9.75%	24,515.00	37,639.49	62,154.49
2017	9.75%	26,905.00	35,249.27	62,154.27
2018	9.75%	29,528.00	32,626.04	62,154.04
2019	9.75%	32,407.00	29,747.06	62,154.06
2020	9.75%	35,567.00	26,587.37	62,154.37
2021	9.75%	39,034.00	23,119.59	62,153.59
2022	9.75%	42,840.00	19,313.78	62,153.78
2023	9.75%	47,017.00	15,136.88	62,153.88
2024	9.75%	51,601.00	10,552.72	62,153.72
2025	9.75%	56,632.00	5,521.62	62,153.62
		$618,894.00	$1,851,922.00	$2,470,816.00

(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:

_____

12/06/85
BARR1-V

810f.05/4r

Junior to 1985A

(SPECIMEN BOND - SERIES B)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1985 B

No. R-1 $308,106

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation of the State of West Virginia in Marion 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 "Payee") the sum of THREE HUNDRED EIGHT THOUSAND ONE HUNDRED SIX DOLLARS ($308,106), in one initial installment of $8,108.15, on October 1, 1988, and 37 equal annual installments of $8,108.05 each, 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 Kanawha Valley Bank, N.A., 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 West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewerage collection and transportion 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 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the 3rd day of December, 1985, and a Supplemental Resolution adopted by the Issuer on the 3rd day of December, 1985 (collectively called the ""Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for

9

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

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on the Series 1985 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1985 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1985 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient 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 amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations payable from such revenues, provided however, that so long as there exists in the Series 1985 B Bonds Reserve Account and the reserve account established for the Series A Bonds sufficient moneys to pay the maximum amount of principal and interest which will become due on all obligations payable from such net revenues which may be issued in any succeeding fiscal year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Payee or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1985 A BONDS").

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

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, and has caused this Bond to be dated December 9, 1985.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1985 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,
as Bond Registrar

By _____
Its Authorized Officer

1985 B

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

-------1985 SUPPLEMENTAL BONDS-------

Period Ending TO/1	Principal	Interest	Debt Service
1986	$ 0.00	$ 0.00	$ 0.00
1987	0.00	0.00	0.00
1988	8,108.15	0.00	8,108.15
1989	8,108.05	0.00	8,108.05
1990	8,108.05	0.00	8,108.05
1991	8,108.05	0.00	8,108.05
1992	8,108.05	0.00	8,108.05
1993	8,108.05	0.00	8,108.05
1994	8,108.05	0.00	8,108.05
1995	8,108.05	0.00	8,108.05
1996	8,108.05	0.00	8,108.05
1997	8,108.05	0.00	8,108.05
1998	8,108.05	0.00	8,108.05
1999	8,108.05	0.00	8,108.05
2000	8,108.05	0.00	8,108.05
2001	8,108.05	0.00	8,108.05
2002	8,108.05	0.00	8,108.05
2003	8,108.05	0.00	8,108.05
2004	8,108.05	0.00	8,108.05
2005	8,108.05	0.00	8,108.05
2006	8,108.05	0.00	8,108.05
2007	8,108.05	0.00	8,108.05
2008	8,108.05	0.00	8,108.05
2009	8,108.05	0.00	8,108.05
2010	8,108.05	0.00	8,108.05
2011	8,108.05	0.00	8,108.05
2012	8,108.05	0.00	8,108.05
2013	8,108.05	0.00	8,108.05
2014	8,108.05	0.00	8,108.05
2015	8,108.05	0.00	8,108.05
2016	8,108.05	0.00	8,108.05
2017	8,108.05	0.00	8,108.05
2018	8,108.05	0.00	8,108.05
2019	8,108.05	0.00	8,108.05
2020	8,108.05	0.00	8,108.05
2021	8,108.05	0.00	8,108.05
2022	8,108.05	0.00	8,108.05
2023	8,108.05	0.00	8,108.05
2024	8,108.05	0.00	8,108.05
2025	8,108.05	0.00	8,108.05
	$308,106.00	$ 0.00	$308,106.00

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:

_____

12/06/85
BARR1-U

TOWN OF BARRACKVILLE

SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B

SUPPLEMENTAL AND AMENDATORY
BOND ORDINANCE

Table of Contents

Subject		Page
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Supplemental and Amendatory Ordinance	2
Section 1.02	Findings	2
Section 1.03	Bond Legislation Constitutes Contract	4
Section 1.04	Definitions	4
ARTICLE II - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF SERIES 1987 BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT		
Section 2.01	Authorization OF Bonds	11
Section 2.02	Series 1987 Bonds not to be Indebtedness of the Issuer	11
Section 2.03	Series 1987 Bonds Secured by Pledge of Net Revenues; Lien Positions	11
Section 2.04	Form of Series 1987 Bonds	12
	FORM OF SERIES 1987 A BOND	13
	FORM OF SERIES 1987 B BOND	20
Section 2.05	Sale of Series 1987 Bonds; Ratification of Execution of Loan Agreement with Authority	27
ARTICLE III - SYSTEM REVENUES AND APPLICATION THEREOF		
Section 3.01	Establishment of Funds and Accounts with Commission	28
Section 3.02	System Revenues; Flow of Funds	28
ARTICLE IV - SERIES 1987 BOND PROCEEDS; FUNDS AND ACCOUNTS		
Section 4.01	Application of Series 1987 Bond Proceeds; Pledge of Unexpended Bond Proceeds	29

Subject		Page
ARTICLE V - ADDITIONAL COVENANTS OF THE ISSUER		
Section 5.01	Covenants in Prior Ordinance to Apply to Series 1987 Bonds	30
Section 5.02	Tax Covenants	30
Section 5.03	Arbitrage	31
Section 5.04	Rebate of Excess Investment Earnings to the United States	31
ARTICLE VI - DEFEASANCE		
Section 6.01	Defeasance of Series 1987 A Bonds	36
Section 6.02	Defeasance of Series 1987 B Bonds	37
ARTICLE VII - MISCELLANEOUS		
Section 7.01	Amendment or Modification of Bond Legislation	39
Section 7.02	Bond Legislation Constitutes Contract	39
Section 7.03	Severability of Invalid Provisions	39
Section 7.04	Headings, Etc.	39
Section 7.05	Conflicting Provisions Repealed	39
Section 7.06	Covenant of Due Procedure, Etc.	40
Section 7.07	Effective Date	40
Section 7.08	Statutory Notice and Public Hearing	40
SIGNATURES		41
CERTIFICATION		42
EXHIBIT A		43

11/03/87
TNBAR2-B

TOWN OF BARRACKVILLE

SUPPLEMENTAL AND AMENDATORY ORDINANCE

SUPPLEMENTAL AND AMENDATORY ORDINANCE SUPPLEMENTING AND AMENDING AN ORDINANCE OF THE TOWN OF BARRACKVILLE ENTITLED:

> ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 A, NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1985 B, AND NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF GRANT ANTICIPATION NOTES, SERIES 1985; 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.

AUTHORIZING THE COMPLETION OF ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE TOWN OF BARRACKVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $150,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, AND NOT MORE THAN $50,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Supplemental and Amendatory Ordinance. This Supplemental and Amendatory Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. The Issuer has heretofore issued its Sewer Revenue Bonds, Series 1985 A and 1985 B, both dated December 9, 1985, in the aggregate principal amount of $927,000 (collectively, the "Prior Bonds"). The Prior Bonds were issued pursuant to a bond and notes ordinance enacted by the Issuer on December 3, 1985 (the "Prior Ordinance"). Proceeds of the Prior Bonds were used to pay a portion of the costs of acquisition, construction and equipping of certain sewerage collection facilities (the "Project"). However, such proceeds and available grant proceeds are deemed insufficient to complete the Project. Accordingly, it is necessary for the Issuer to borrow an additional amount to finance the remaining costs of the Project.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System (as hereinafter defined) will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Series 1987 Bonds (as hereinafter defined) and all Sinking Fund, Reserve Account and other payments provided for herein and in the Prior Ordinance.

D. It is therefore deemed necessary for the Issuer to issue its completion bonds in the total aggregate principal amount of not more than $200,000 in two series, being the Series 1987 A Bonds in the aggregate principal amount of not more than $150,000, and the Series 1987 B Bonds in the aggregate principal amount of not more than $50,000 (collectively, the "Series 1987 Bonds") to finance costs of construction and acquisition of the Project not otherwise provided for. Said costs shall be deemed to include the cost of all

property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Bonds prior to and during construction or acquisition and for 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1987 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the completion of construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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 the Series 1987 Bonds be sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") both dated October 21, 1987, entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, and attached hereto as "Exhibit A," and made a part hereof.

G. Except for the Prior Bonds, there are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Series 1987 Bonds as to lien and source of and security for payment. The Series 1987 B Bonds shall be on a parity with the Series 1985 B Bonds, both of which series shall be junior and subordinate to both the Series 1985 A Bonds and the Series 1987 A Bonds; and the Series 1987 A Bonds shall be on a parity with the Series 1985 A Bonds, all as set forth herein.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Prior Bonds and the Series 1987 Bonds, or will have so complied prior to issuance 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 have expired, which Order was received prior to delivery of the Prior Bonds.

I. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year in which the Bonds are to be issued.

J. The Issuer has been presented with a petition by the Barrackville Sanitary Board requesting that the Issuer proceed with issuance of the Series 1987 Bonds for the purposes stated herein.

K. The Prior Ordinance, in Section 7.07(B) thereof, permits the issuance of the Series 1987 Bonds on parity with the Prior Bonds for the purpose of completion of the Project with no further restrictions if there is first obtained the written consent of the Authority, which written consent will be obtained prior to issuance of the Series 1987 Bonds.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1987 Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Series 1987 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. Unless expressly changed herein, all capitalized terms used in the Prior Ordinance shall have the same meanings herein. In addition, the following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Bonds" means the Original Bonds, the Series 1987 Bonds and any bonds on a parity therewith authorized to be issued hereunder.

"Closing Date" means the date upon which there is an exchange of the Series 1987 Bonds for the proceeds representing the purchase of the Bonds by the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Excess Investment Earnings" means an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Bond, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the

investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior bonds and which are deemed to become proceeds of the Bonds ratably as original proceeds of the Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Reserve Accounts and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement, both dated October 21, 1987, heretofore entered into between the Authority and the Issuer providing for the purchase of the Series 1987 Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer ratified and confirmed by, this Ordinance or a resolution adopted by the Issuer prior to the adoption of this Ordinance.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

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

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

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or

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

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

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

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

"Series 1987 A Bonds" or "Series A Bonds" means the not more than $150,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 A, of the Issuer.

"Series 1987 B Bonds" or "Series B Bonds" means the not more than $50,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 B, of the Issuer.

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Bonds produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

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, TERMS, EXECUTION, REGISTRATION AND SALE OF SERIES 1987 BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 2.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1987 A Bonds, funding a reserve account for each series of Series 1987 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any of such purposes, there shall be issued negotiable Series 1987 Bonds of the Issuer, in an aggregate principal amount of not more than $200,000. Said Series 1987 Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1987 A," in the aggregate principal amount of not more than $150,000, and "Sewer Revenue Bonds, Series 1987 B," in the aggregate principal amount of not more than $50,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1987 Bonds remaining after funding of the Reserve Accounts (if funded from Series 1987 Bond proceeds) and capitalization of interest, if any, shall be deposited in the Bond Construction Trust Fund established by Section 5.01 of the Prior Ordinance.

Provisions regarding the execution, authentication, registration, negotiability and transfer of the Series 1987 Bonds shall be as set forth in the Prior Ordinance. Other terms of the Series 1987 Bonds, including their interest rate, maturities, date and other provisions applicable only to the Series 1987 Bonds and not the Prior Bonds, shall be as set forth in the Supplemental Resolution.

Section 2.02. Series 1987 Bonds not to be Indebtedness of the Issuer. The Series 1987 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. 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 2.03. Series 1987 Bonds Secured by Pledge of Net Revenues; Lien Positions. The payment of the debt service of all the Series 1987 A Bonds shall be secured forthwith equally and ratably with each other, by a first lien on the Net Revenues derived from the System on a parity with the Series 1985 A Bonds. The payment of the debt service of all the Series 1987 B Bonds shall

also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, on a parity with the Series 1985 B Bonds, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1985 A Bonds and the Series 1987 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 2.04. Form of Series 1987 Bonds. The text of the Series 1987 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1987 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1987 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), 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 April 1 and October 1 in each year, beginning _____ 1, 19____. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is a completion bond and is issued (i) to pay a portion of the costs of completion of acquisition and construction of certain new sewage collection and transportation facilities of the Issuer (the "Project") not otherwise provided for; (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted on December 3, 1985, a supplemental and amendatory ordinance duly enacted on October 6, 1987, and a Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of $_____, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON A PARITY WITH THE SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER, DATED DECEMBER 9, 1985, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $618,894 (THE "SERIES 1985 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1987 B 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 moneys in the Series A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the

System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Series 1985 A Bonds, the Series 1985 B Bonds, the Bonds, the Series 1987 B Bonds, and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1985 A Bonds, the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the respective reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, an amount at Least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

This Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be

performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Town Clerk, and has caused this Bond to be dated _____, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
Town Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

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 Series 1987 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1987 B

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in annual 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 (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is a completion bond and is issued (i) to pay a portion of the costs of completion of acquisition and construction of certain new sewage collection and transportation facilities of the Issuer (the "Project") not otherwise provided for; (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted on December 3, 1985, a supplemental and amendatory ordinance duly

enacted on October 6, 1987, and a Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ON PARITY WITH THE SEWER REVENUE BONDS, SERIES 1985 B, OF THE ISSUER, DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $308,106 (THE "SERIES 1985 B BONDS") AND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HEREWITH AND THE SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER (THE "SERIES 1985 A BONDS") HERETOFORE ISSUED, ALL AS DESCRIBED IN THE BOND LEGISLATION.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1985 A Bonds and the Series 1987 A Bonds herein described and to all moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series, and unexpended proceeds of the Bonds of this series. 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 moneys in the reserve account for the Series B Bonds and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the Series 1985 A Bonds, the Series 1985 B Bonds, the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the the reserve accounts

established for the Series A Bonds and Series B Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Series 1985 A Bonds, the Series 1985 B Bonds, the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A Bonds.

This Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 this Bond.

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Town Clerk, and has caused this Bond to be dated _____, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
Town Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 2.05. Sale of Series 1987 Bonds; Ratification of Execution of Loan Agreement with Authority. The Series 1987 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved.

ARTICLE III

SYSTEM REVENUES AND APPLICATION THEREOF

Section 3.01. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(1) Series 1987 A Bonds Sinking Fund;

(a) Within the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account.

(2) Series 1987 B Bonds Sinking Fund;

(a) Within the Series 1987 B Bonds Sinking Fund, the Series 1987 B Bonds Reserve Account.

Section 3.02. Payment of Debt Service on Series 1987 Bonds. In addition to the payments required by the Prior Ordinance to be made with respect to the Prior Bonds, the Issuer shall pay into the sinking funds and reserve accounts established hereunder for the Series 1987 Bonds, the amounts prescribed by Article V of the Prior Ordinance, adjusted to reflect the different principal amounts of the Series 1987 Bonds. Payment of principal of and interest on the Series 1987 A Bonds, and deposits into the Series 1987 A Bonds Reserve Account shall be made on parity with such payments and deposits required for the Series 1985 A Bonds. Payment of principal of and interest on the Series 1987 B Bonds Reserve Account shall be made subsequent to such payments on account of the Series A Bonds, and on parity with such payments on account of the Series 1985 B Bonds.

ARTICLE IV

SERIES 1987 BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Application of Series 1987 Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1987 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1987 A Bonds, there shall first be deposited with the Commission in the Series 1987 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1987 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1987 A Bonds, there shall be deposited with the Commission in the Series 1985 A Bonds Reserve Account and from the proceeds of the Series 1987 B Bonds, there shall be deposited with the Commission in the Series 1985 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for additional funding of the Reserve Accounts on account of the Series 1987 Bonds.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank 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 of the Prior Ordinance.

D. The Depository Bank shall act as a trustee and 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 set forth in the Bond Legislation. 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 Series 1987 A Bonds, and thereafter for the Series 1987 B Bonds.

ARTICLE V

ADDITIONAL COVENANTS OF THE ISSUER

Section 5.01. Covenants in Prior Ordinance to Apply to Series 1987 Bonds. All the covenants, agreements and provisions of the Prior Ordinance shall be applicable to the Series 1987 Bonds, and shall constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1987 Bonds. In addition to the other covenants, agreements and provisions of the Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1987 Bonds as hereinafter provided in this Article V. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Series 1987 Bonds or the interest thereon is Outstanding and unpaid.

Section 5.02. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1987 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1987 Bonds during the term thereof is, under the terms of the Series 1987 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1987 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1987 Bonds during the term thereof is, under the terms of the Series 1987 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1987 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1987 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental

use of that portion of the Project to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 1987 Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1987 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1987 Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 1987 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 1987 Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Series 1987 Bonds, so that the Series 1987 Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1987 Bonds) so that the interest on the Series 1987 Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Rebate of Excess Investment Earnings to the United States. In the event the Issuer receives an opinion of Bond Counsel to the effect that any of the funds or accounts described herein are subject to the "rebate" requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions as set forth in this Section 5.04.

A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Bond Legislation, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Bond Legislation, other than (i) interest earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than $100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on the last day of each Bond Year or on the preceding business day in the event that such last day is not a business day, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of Debt Service on the next interest payment date and for such purpose, Debt Service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 30 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Original Purchaser and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 30 days following the last day of each Bond Year and within 30 days following the date of the retirement of the Bond, the Issuer shall calculate, and shall provide written notice to the Purchaser and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income

realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Series 1987 Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Series 1987 Bonds shall be determined based on the actual Yield of the Series 1987 Bonds during the period between the Closing Date of the Series 1987 Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account

or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than $100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Series 1987 Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required by this Subsection D, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of 6 years following the retirement of the Series 1987 Bonds, records of the determinations made pursuant to this Section 5.04.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 5.04, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further covenants to comply with all Regulations from time to time in effect and applicable to the Series 1987 Bonds, as may be necessary in order to fully comply with Section 148(f) of the Code.

ARTICLE VI

DEFEASANCE

Section 6.01. Defeasance of Series 1987 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 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 1987 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 A 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 Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1987 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1987 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1987 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1987 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or

its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 6.02. Defeasance of Series 1987 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 B Bonds, the principal 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 1987 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 B 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 Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date the principal installments of and interest on such Series 1987 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1987 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1987 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1987 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the

purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder or Noteholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds.

Section 7.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1987 Bonds and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 7.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Prior Ordinance, this Ordinance, the Supplemental Resolution or the Bonds.

Section 7.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 7.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof (including

the Prior Ordinance) in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 7.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Town Clerk and members of the 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 7.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 7.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Times-West Virginian, a qualified newspaper of general circulation in the Town of Barrackville, no newspaper being published in the Town of Barrackville, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the City Council upon a date certain, not less than ten days subsequent to the date of the first publication of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At

such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading	-	September 15, 1987
Passed on Second Reading	-	September 22, 1987
Passed on Final Reading Following Public Hearing	-	October 6, 1987

Mayor

Town Clerk

CERTIFICATION

Certified a true copy of a Supplemental and Amendatory Ordinance duly enacted by the Council of the TOWN OF BARRACKVILLE on this 6th day of November, 1987.

[SEAL]

Town Clerk

11/03/87
TNBAR2-A

"EXHIBIT A"

[Included as Document Nos. 3 and 4 of Bond Transcript]

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1987 A

No. AR-1 $100,379

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE HUNDRED THOUSAND THREE HUNDRED SEVENTY-NINE DOLLARS ($100,379), 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 April 1 and October 1 in each year, beginning April 1, 1988. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated October 21, 1987.

This Bond is a completion bond and is issued (i) to pay a portion of the costs of completion of acquisition and construction of certain new sewage collection and transportation facilities of the Issuer (the "Project") not otherwise provided for; and (ii) to pay certain costs of issuance hereof and related costs. The Bonds of this Series (the "Bonds") are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted on December 3, 1985, a supplemental and amendatory ordinance duly enacted on October 6, 1987, and a Supplemental Resolution, duly adopted by the Issuer on November 3, 1987 (collectively called the "Bond Legislation"), and are subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of $24,621, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

THIS BOND IS ON A PARITY WITH THE SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER, DATED DECEMBER 9, 1985, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $618,894 (THE "SERIES 1985 A BONDS") AND PRIOR AND SENIOR TO THE SEWER REVENUE BONDS, SERIES 1985 B, OF THE ISSUER, DATED DECEMBER 9, 1985, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $308,106 (THE "SERIES 1985 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1987 B 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 moneys in the Series A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby,

which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Series 1985 A Bonds, the Series 1985 B Bonds, the Bonds, the Series 1987 B Bonds, and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1985 A Bonds, the Series 1985 B Bonds the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the respective reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

This Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be

performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Town Clerk, and has caused this Bond to be dated November 6, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
Town Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

ANALYSIS OF 7.00% BORROWING COST FOR LOCAL ISSUER

---------- 1988 SERIES A BOND ----------

1987A

PERIOD ENDING 10/1	COUPON	PRIN.	INTEREST	DEBT SERVICE
1988	8.38		7,593.95	7,593.95
1989	8.38	415	8,411.76	8,826.76
1990	8.38	449	8,376.98	8,825.98
1991	8.38	487	8,339.36	8,826.36
1992	8.38	528	8,298.55	8,826.55
1993	8.38	572	8,254.30	8,826.30
1994	8.38	620	8,206.37	8,826.37
1995	8.38	672	8,154.41	8,826.41
1996	8.38	728	8,098.10	8,826.10
1997	8.38	789	8,037.09	8,826.09
1998	8.38	856	7,970.97	8,826.97
1999	8.38	927	7,899.24	8,826.24
2000	8.38	1,005	7,821.56	8,826.56
2001	8.38	1,089	7,737.34	8,826.34
2002	8.38	1,180	7,646.08	8,826.08
2003	8.38	1,279	7,547.20	8,826.20
2004	8.38	1,387	7,440.02	8,827.02
2005	8.38	1,503	7,323.78	8,826.78
2006	8.38	1,629	7,197.83	8,826.83
2007	8.38	1,765	7,061.32	8,826.32
2008	8.38	1,913	6,913.42	8,826.42
2009	8.38	2,073	6,753.11	8,826.11
2010	8.38	2,247	6,579.39	8,826.39
2011	8.38	2,436	6,391.09	8,827.09
2012	8.38	2,640	6,186.95	8,826.95
2013	8.38	2,861	5,965.72	8,826.72
2014	8.38	3,101	5,725.97	8,826.97
2015	8.38	3,360	5,466.11	8,826.11
2016	8.38	3,642	5,184.54	8,826.54
2017	8.38	3,947	4,879.34	8,826.34
2018	8.38	4,278	4,548.58	8,826.58
2019	8.38	4,637	4,190.08	8,827.08
2020	8.38	5,025	3,801.50	8,826.50
2021	8.38	5,446	3,380.41	8,826.41
2022	8.38	5,903	2,924.03	8,827.03
2023	8.38	6,397	2,429.36	8,826.36
2024	8.38	6,933	1,893.29	8,826.29
2025	8.38	7,514	1,312.31	8,826.31
2026	8.38	8,146	682.63	8,828.63
		100,379	242,624.04	343,003.04

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:

_____

11/10/87
TNBAR1-R

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF BARRACKVILLE
SEWER REVENUE BOND, SERIES 1987 B

No. BR-1 $24,621

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF BARRACKVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWENTY-FOUR THOUSAND SIX HUNDRED TWENTY-ONE DOLLARS ($24,621), in annual 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 (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated October 21, 1987.

This Bond is a completion bond and is issued (i) to pay a portion of the costs of completion of acquisition and construction of certain new sewage collection and transportation facilities of the Issuer (the "Project") not otherwise provided for; and (ii) to pay certain costs of issuance hereof and related costs. The Bonds of this Series (the "Bonds") are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted on December 3, 1985, a supplemental and amendatory ordinance duly enacted on October 6, 1987, and a

Supplemental Resolution, duly adopted by the Issuer on November 3, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ON PARITY WITH THE SEWER REVENUE BONDS, SERIES 1985 B, OF THE ISSUER, DATED DECEMBER 9, 1985, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $308,106 (THE "SERIES 1985 B BONDS") AND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HEREWITH AND THE SEWER REVENUE BONDS, SERIES 1985 A, OF THE ISSUER (THE "SERIES 1985 A BONDS") HERETOFORE ISSUED, ALL AS DESCRIBED IN THE BOND LEGISLATION.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1985 A Bonds and the Series 1987 A Bonds herein described and to all moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series, and unexpended proceeds of the Bonds of this series. 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 moneys in the reserve account for the Series B Bonds and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the Series 1985 A Bonds, the Series 1985 B Bonds, the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the the reserve accounts

established for the Series A Bonds and Series B Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Series 1985 A Bonds, the Series 1985 B Bonds, the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A Bonds.

This Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 this Bond.

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

IN WITNESS WHEREOF, the TOWN OF BARRACKVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Town Clerk, and has caused this Bond to be dated November 6, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
Town Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

TOWN OF BARRACKVILLE
ANALYSIS OF 7.00% BORROWING COST FOR LOCAL ISSUER

----- -- 1986 SERIES A BONDS ----------

	ZERO COUPON BONDS
	.00
1988	.00
1989	647.96
1990	647.92
1991	647.92
1992	647.92
1993	647.92
1994	647.92
1995	647.92
1996	647.92
1997	647.92
1998	647.92
1999	647.92
2000	647.92
2001	647.92
2002	647.92
2003	647.92
2004	647.92
2005	647.92
2006	647.92
2007	647.92
2008	647.92
2009	647.92
2010	647.92
2011	647.92
2012	647.92
2013	647.92
2014	647.92
2015	647.92
2016	647.92
2017	647.92
2018	647.92
2019	647.92
2020	647.92
2021	647.92
2022	647.92
2023	647.92
2024	647.92
2025	647.92
2026	647.92

	24,621.00

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

TOWN OF BARRACKVILLE
ANALYSIS OF 7.00% BORROWING COST FOR LOCAL ISSUER

1987 B

	1987 SERIES A BONDS
	ZERO COUPON BONDS
	.00
1988	.00
1989	647.96
1990	647.92
1991	647.92
1992	647.92
1993	647.92
1994	647.92
1995	647.92
1996	647.92
1997	647.92
1998	647.92
1999	647.92
2000	647.92
2001	647.92
2002	647.92
2003	647.92
2004	647.92
2005	647.92
2006	647.92
2007	647.92
2008	647.92
2009	647.92
2010	647.92
2011	647.92
2012	647.92
2013	647.92
2014	647.92
2015	647.92
2016	647.92
2017	647.92
2018	647.92
2019	647.92
2020	647.92
2021	647.92
2022	647.92
2023	647.92
2024	647.92
2025	647.92
2026	647.92
	24,621.00

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:

_____

11/05/87
TNBAR1-S