CITY OF CHARLES TOWN

ASSUMPTION OF THE
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1988 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
SEWER REVENUE BONDS, SERIES 1998 B
(WEST VIRGINIA SRF PROGRAM);
SEWER REVENUE BONDS, SERIES 1998 C
(WEST VIRGINIA INFRASTRUCTUR FUND);
SEWER REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM);
SEWER REVENUE BONDS, SERIES 2000 A
(WEST VIRGINIA SRF PROGRAM);
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA SRF PROGRAM);
AND
WATER REVENUE BONDS, SERIES 2014 A
(WEST VIRGINIA DWTRF PROGRAM)

AND
RE-DESIGNATED AND REPLACED AS

CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2
(WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3
(WEST VIRGINIA INFRASTRUCTURE FUND);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4
(WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5
(WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6
(WEST VIRGINIA SRF PROGRAM);
AND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7
(WEST VIRGINIA DWTRF PROGRAM)

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BOND ORDINANCE

ASSUMPTION OF THE
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1988 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
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(WEST VIRGINIA SRF PROGRAM);
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(WEST VIRGINIA SRF PROGRAM);
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA SRF PROGRAM);
AND
WATER REVENUE BONDS, SERIES 2014 A
(WEST VIRGINIA DWTRF PROGRAM)

AND
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CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B
(WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTUR FUND);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM);
AND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM)

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BOND ORDINANCE

ASSUMPTION OF THE
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1988 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
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AND
RE-DESIGNATED AND REPLACED AS

CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2
(WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3
(WEST VIRGINIA INFRASTRUCTURE FUND);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4
(WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5
(WEST VIRGINIA SRF PROGRAM);
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6
(WEST VIRGINIA SRF PROGRAM);
AND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7
(WEST VIRGINIA DWTRF PROGRAM)

ORDINANCE AUTHORIZING THE ACQUISITION OF THE SEWER SYSTEM AND WATER SYSTEM OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING THE ASSUMPTION AND REDESIGNATION OF THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT'S SEWER REVENUE BONDS, SERIES 1988 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER

REVENUE BONDS, SERIES 1998 B (WEST VIRGINIA SRF PROGRAM); SEWER REVENUE BONDS, SERIES 1998 C (WEST VIRGINIA INFRASTRUCTUR FUND); SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM); SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM); SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA SRF PROGRAM); AND WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA DWTRF PROGRAM) AS THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTUR FUND); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM); AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION AND RE-DESIGNATION OF SUCH BONDS; ASSUMING, APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE ASSUMPTION AND RE-DESIGNATION AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF CHARLES TOWN:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20, Chapter 16, Article 13 C, Chapter 22C, Article 1, Chapter 22C, Article 2 and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates, through the Charles Town Utility Board (the "Board"), a public combined waterworks and sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired from the Jefferson County Public Service District (the "District") the existing water system and sewer system of the District (collectively, the "District Assets") from the District, which District Assets (the existing combined waterworks and sewerage system of the Issuer, the District Assets and any further additions, betterments and improvements thereto are herein called the "System"), pursuant to an Acquisition Agreement by and among the Issuer, the Board and the District, which Acquisition Agreement shall be approved by Supplemental Resolution (the " Acquisition Agreement").

C. The District has heretofore financed the acquisition and construction of public sewerage facilities to provide sewer service to customers in Jefferson County, by the issuance of its (i) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767; (ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089; (iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039; (iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363; (v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the aggregate principal amount of $1,154,889; and (vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the aggregate principal amount of $2,005,000 (collectively, the "District Sewer Bonds").

The District has heretofore financed the acquisition and construction of public water facilities to provide water service to customers in Jefferson County, by the issuance of its Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the aggregate principal amount of $985,350 (the "District Water Bonds").

The District Sewer Bonds and the District Water Bonds are collectively known as the "District Bonds").

D. The District Bonds were issued pursuant to Resolutions of the District previously adopted for such purpose (such resolutions, as amended and supplemented, are herein called the "District Resolutions").

E. It is deemed necessary and desirable for the Issuer to provide for the acquisition of the District Assets and the Assumption and re-designation of the District Bonds.

F. The District permanently financed the acquisition of the District Assets through the issuance of the District Bonds to the West Virginia Water Development Authority (the "Authority").

G. It is deemed necessary for the Issuer to assume the District Bonds and Re-Designate them as: (i) "City of Charles Town Combined Waterworks and Sewerage System

Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority"; (ii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)"; (iii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund)"; (iv) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program)" (v) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program)"; (vi) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program)"; and (vii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program)" as consideration for acquisition of the District Assets.

H. The period of usefulness of the System is not less than 20 years.

I. It is in the best interests of the Issuer that the Series 2018 A-1 Bonds continue to be held by the Authority pursuant to the terms and provisions of a Supplemental Loan Agreement dated April 29, 1988 by and between the District and the Authority in form satisfactory to the respective parties (the "District 1988 B Supplemental Loan Agreement"), which District 1988 B Loan Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2018 A-2 Bonds continue to be held by the Authority pursuant to the terms and provisions of a Loan Agreement dated June 2, 1988 by and among the District, the Authority and the West Virginia Department of Environmental Protection (the "DEP") in a form satisfactory to the respective parties (the "District 1998 B Loan Agreement"), which District 1998 B Loan Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2018 A-3 Bonds continue to be held by the Authority pursuant to the terms and provisions of a Loan Agreement dated June 25, 1998 by and between the District and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") in form satisfactory to the respective parties (the "District 1998 C Loan Agreement"), which District 1998 C Loan Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2018 A-4 Bonds continue to be held by the Authority pursuant to the terms and provisions of a Bond Purchase Agreement dated November 17, 1999 by and among the District, the Authority and the DEP in form satisfactory to the respective parties (the "District 1999 A Bond Purchase Agreement"), which District 1999 A Bond Purchase Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2018 A-5 Bonds continue to be held by the Authority pursuant to the terms and provisions of a Bond Purchase Agreement dated June 1, 2000 by and among the District, the Authority and the DEP in form satisfactory to the

respective parties (the "District 2000 A Bond Purchase Agreement"), which District 2000 A Bond Purchase Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2018 A-6 Bonds continue to be held by the Authority pursuant to the terms and provisions of a Bond Purchase Agreement dated June 2, 2008 by and among the District, the Authority and the DEP in form satisfactory to the respective parties (the "District 2008 A Bond Purchase Agreement"), which District 2008 A Bond Purchase Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2018 A-7 Bonds continue to be held by the Authority pursuant to the terms and provisions of a Loan Agreement dated April 17, 2014 by and between the District and the Authority on behalf on the West Virginia Bureau for Public Health (the "BPH") in form satisfactory to the respective parties (the "District 2014 A Loan Agreement"), which District 2014 A Loan Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

The District 1988 B Supplemental Loan Agreement, District 1998 B Loan Agreement, District 1998 C Loan Agreement, District 1999 A Bond Purchase Agreement, Series 2000 A Bond Purchase Agreement, Series 2008 A Bond Purchase Agreement and District 2014 A Loan Agreement are collectively known as the "Loan Agreements".

J. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2018 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1. Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

2. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

3. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

4. Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

5. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

6. Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

7. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

8. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

9. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

10. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

11. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

12. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

13. Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

14. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

15. Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

16. Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

17. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

18. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

19. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

20. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A, dated November 19, 2015, issued in the aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

21. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B, dated November 19, 2015, issued in the aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

22. Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A, dated March 17, 2016, issued in the aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

23. Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B, dated August 18, 2016, issued in the aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds"); and

24. Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 B (Bank Qualified), issued contemporaneously with the Series 2018 A Bonds. (the "Series 2018 B Bonds") pusuant to an ordinance enacted by the Issuer (the "Series 2018 B Ordinance").

K. Prior to the assumption and re-designation of the District Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds and Series 2018 B Bonds are met, and (ii) the written consent, if required, of the Holders of the Prior Bonds to the assumption and re-designation of the District Bonds on a parity with the Prior Bonds and Series 2018 B Bonds. The Series 2013 A Bonds, Series 2014 C Bonds, Series 2014 D Bonds, Series 2014 E Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2016 A Bonds and Series 2016 B Bonds do not require written consent. Other than the Prior Bonds and Series 2018 B Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

L. The estimated revenues to be derived in each year after completion of the acquisition of the District Assets and assumption and re-designation of the District Bonds from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 2018 A Bonds, Series 2018 B Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

M. The Issuer has complied with all requirements of West Virginia law and the Loan Agreements, relating to authorization of the acquisition of the District Assets and the

assumption and re-designation of the District Bonds, or will have so complied prior to the assumption and re-designation of the District Bonds or any thereof, including, among other things, the approval of the acquisition of the District Assets and the assumption and re-designation of the District Bonds by the Public Service Commission of West Virginia.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2018 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2018 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20, Chapter 16, Article 13C, Chapter 22C, Article 1, Chapter 22C, Article 2 and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreements.

"Authority" means the West Virginia Water Development Authority, which is the original purchaser and Registered Owner of the Series 2018 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization under the Act.

"Authorized Officer" means the Mayor or the City Manager of the Issuer, and, in the instance of the Board, the Chairman, the General Manager or the Assistant General Manager, or any other officer of the Issuer or Board specifically designated by resolution of the Governing Body or the Board, as appropriate.

"Board" means the Charles Town Utility Board.

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

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

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

"Bonds" means, collectively, the Series 2018 A Bonds, Series 2018 B Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which the District Assets are transferred to the Issuer and the Series 2018 A Bonds are assumed and re-designated by the Issuer.

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

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

"Consulting Engineers" means 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. "Consulting Engineer" shall also include a licensed professional engineer employed by the Board, who is responsible for design and/or supervision of improvements, additions or modifications to the System.

"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 in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

"District" means the Jefferson County Public Service District.

"District Assets" means all assets of the District, including all property, real or personal, tangible or intangible, which is part of the sewerage collection and transportation system of the District.

"District Bonds" means collectively the District Sewer Bonds and the District Water Bonds.

"District Sewer Bonds" means the Jefferson County Public Service District's: (i) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767; (ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089; (iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039; (iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363; (v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the aggregate principal amount of $1,154,889; and (vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the aggregate principal amount of $2,005,000.

"District Water Bonds" means the Jefferson County Public Service District's Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the aggregate principal amount of $985,350.

"District 1988 B Bonds" means the Jefferson County Public Service District Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767.

"District 1988 B Loan Agreement" means the Supplemental Loan Agreement dated April 29, 1988 by and between the District and the Authority.

"District 1998 B Bonds" means the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089.

"District 1998 B Loan Agreement" means the Loan Agreement dated June 2, 1998 by and among the District, the Authority and the DEP.

"District 1998 C Bonds" means the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039.

"District 1998 C Loan Agreement" means the Loan Agreement dated June 25, 1998 by and between the District and the Authority.

"District 1999 A Bonds" means the Jefferson County Public Service District Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363.

"District 1999 A Bond Purchase Agreement" means the Bond Purchase Agreement dated November 17, 1999 by and among the District, the Authority and the DEP.

"District 2000 A Bonds" means the Jefferson County Public Service District Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the aggregate principal amount of $1,154,889.

"District 2000 A Bond Purchase Agreement" means the Bond Purchase Agreement dated June 1, 2000 by and Among the District, the Authority and the DEP

"District 2008 A Bonds" means the Jefferson County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the aggregate principal amount of $2,005,000.

"District 2008 A Bond Purchase Agreement" means the Bond Purchase Agreement dated June 2, 2008 by and Among the District, the Authority and the DEP

"District 2014 A Bonds" Jefferson County Public Service District's Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the aggregate principal amount of $985,350.

"District 2014 A Loan Agreement" means the Loan Agreement dated April 17, 2014 by and between the District and the Authority.

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

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

"Independent Certified Public Accountant" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other

purpose except keeping the accounts of the System in the normal operation of its business and affairs.

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

"Loan Agreements" means collectively, the District 1988 B Loan Agreement, District 1998 B Loan Agreement, District 1998 C Loan Agreement, District 1999 A Bond Purchase Agreement, Series 2000 A Bond Purchase Agreement, Series 2008 A Bond Purchase Agreement and District 2014 A Loan Agreement.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2018 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs), fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2018 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1987 B Bonds, Series 1988 B-1 Bonds, Series 1988 B-2 Bonds, Series 1989 B Bonds, Series 1998 Bonds, Series 2000 A Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2011 A Bonds, Series 2013 A Bonds, Series 2014 A Bonds, Series 2014 C Bonds, Series 2014 D Bonds, Series 2014 E Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2016 A Bonds and Series 2016 B Bonds.

"Prior Ordinances" means, collectively, the ordinances authorizing the Prior Bonds.

"Qualified Investments" means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2018 A Bonds Series 2018 B Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds, Series 2018 B Bonds and the Series 2018 A Bonds.

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

"Series 1987 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629.

"Series 1988 B-1 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916.

"Series 1988 B-2 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000.

"Series 1989 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480.

"Series 1998 Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601.

"Series 2000 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781.

"Series 2002 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000.

"Series 2002 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000.

"Series 2010 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458.

"Series 2010 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000.

"Series 2010 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000.

"Series 2010 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000.

"Series 2011 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192.

"Series 2013 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977.

"Series 2013 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000.

"Series 2014 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900.

"Series 2014 C Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000.

"Series 2014 D Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000.

"Series 2014 E Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000.

"Series 2015 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000.

"Series 2015 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000.

"Series 2016 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000.

"Series 2016 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000.

"Series 2018 A Bonds" means, collectively, the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, and Series 2018 A-7 Bonds.

"Series 2018 A-1 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), of the Issuer, authorized by this Bond Legislation.

"Series 2018 A-1 Bonds Reserve Account" means the District 1988 B Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-1 Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2018 A-1 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2018 A-1 Bonds in the then current or any succeeding year.

"Series 2018 A-1 Bonds Sinking Fund" means the District 1988 B Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-1 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2018 A-2 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2018 A-2 Bonds Reserve Account" means the District 1998 B Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-2 Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2018 A-2 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2018 A-2 Bonds in the then current or any succeeding year.

"Series 2018 A-2 Bonds Sinking Fund" means the District 1998 B Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-2 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2018 A-3 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), of the Issuer, authorized by this Bond Legislation.

"Series 2018 A-3 Bonds Reserve Account" means the District 1998 C Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-3 Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2018 A-3 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2018 A-3 Bonds in the then current or any succeeding year.

"Series 2018 A-3 Bonds Sinking Fund" means the District 1998 C Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-3 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2018 A-4 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2018 A-4 Bonds Reserve Account" means the District 1999 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-4 Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2018 A-4 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2018 A-4 Bonds in the then current or any succeeding year.

"Series 2018 A-4 Bonds Sinking Fund" means the District 1999 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-4 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2018 A-5 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2018 A-5 Bonds Reserve Account" means the District 2000 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-5 Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2018 A-5 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2018 A-5 Bonds in the then current or any succeeding year.

"Series 2018 A-5 Bonds Sinking Fund" means the District 2000 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-5 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2018 A-6 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2018 A-6 Bonds Reserve Account" means the District 2008 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-6 Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2018 A-6 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2018 A-6 Bonds in the then current or any succeeding year.

"Series 2018 A-6 Bonds Sinking Fund" means the District 2008 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-6 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2018 A-7 Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2018 A-5 of the Issuer, authorized by this Bond Legislation.

"Series 2018 A-7 Bonds Reserve Account" means the District 2010 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-7 Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2018 A-7 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2018 A-7 Bonds in the then current or any succeeding year.

"Series 2018 A-7 Bonds Sinking Fund" means the District 2010 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2018 A-7 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2018 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 B (Bank Qualified) issued contempoeaneously with the assumption of the Series 2018 A Bonds.

"Series 2018 B Ordinance" meams the Ordinance of the Issuer authorizing the Series 2018 B Bonds.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2018 A Bonds, Series 2018 B Bonds and the Prior 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.

"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 2018 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2018 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2018 A Bonds, Series 2018 B Bonds the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by BPH and funded

by capitalized grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

"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.

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION OF THE DISTRICT ASSETS AND THE ASSUMPTION AND RE-DESIGNATION OF THE DISTRICT BONDS

Section 2.01. Authorization of Acquisition of the District Assets. There is hereby authorized and ordered the acquisition of the District Assets pursuant to the terms of an Acquisition Agreement by and between the Issuer and the District.

Section 2.02. Authorization of Assumption and Re-designation of the District Bonds. There is hereby authorized and ordered the assumption by the Issuer in full of the entire Outstanding principal of and the interest on the District Bonds on the Closing Date.

The Issuer also authorizes the re-designation of the District Bonds as (i) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority"; (ii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)"; (iii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund)"; (iv) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program)" (v) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program)"; (vi) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program)"; and (vii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program)".

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ASSUMPTION OF DISTRICT BONDS; ASSUMPTION OF LOAN AGREEMENTS

Section 3.01. Authorization of Assumption of District Bonds. For the purposes of serving as consideration for the acquisition of the District Assets, the Issuer hereby authorizes the

assumption of the indebtedness evidenced by the District Bonds, and the substitution of a new bond of the Issuer for each the District Bonds.

The District Bonds shall be assumed as 10 series of bonds and re-designated as the (i) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority"; (ii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)"; (iii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund)"; (iv) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program)" (v) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program)"; (vi) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program)"; and (vii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program)" and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2018 A Bonds shall be assumed in such principal amounts; shall bear interest 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 exists on the Closing Date and as the Issuer shall prescribe in a Supplemental Resolution. The Series 2018 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2018 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

As provided by the Supplemental Resolution, the Series 2018 A Bonds shall initially be four series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2018 A Bonds. The Series 2018 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The Series 2018 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2018 A Bonds shall cease to be such officer of the Issuer before the Series 2018 A Bonds so signed and sealed have been actually assumed, re-designated and delivered, such Bonds may nevertheless be assumed, re-designated 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 2018 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in

the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2018 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2018 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2018 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2018 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2018 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2018 A Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2018 A Bonds or transferring the registered Series 2018 A Bonds are exercised, all Series 2018 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2018 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2018 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2018 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2018 A Bonds or, in the case of any proposed redemption of Series 2018 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2018 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2018 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the System as herein provided. No Holder or Holders of the Series 2018 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2018 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds and Series 2018 B Bonds. The payment of debt service of the Series 2018 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds and Series 2018 B Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2018 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, Series 2018 B Ordinance and Prior Ordinances are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver as substitute for the District Bonds, the Series 2018 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2018 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2018 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2018 A Bonds to the original purchasers;

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

D. Executed copies of the Loan Agreements; and

E. The unqualified approving opinions of bond counsel on the Series 2018 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2018 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the assumption and re-designation thereof:

(FORM OF SERIES 2018 A-1 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1988 B
(West Virginia Water Development Authority)

No. A-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____) in annual installments on October 1 of each year, commencing _____ 1, ___ to and including October 1, 2028 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT A.

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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement by and between the Jefferson County Public Service District (the "District") and the Authority, dated April 29, 1988, and assumed by the Issuer on _____, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has

re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on ____, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED

AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS");

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-2 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-3 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-4 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-5 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-6 BONDS"); AND

29. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-7 BONDS"); AND

30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-1 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-1 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-1 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-

6 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross 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.

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-1 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: _____, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

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 2018 A-2 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1998 B
(West Virginia SRF Program)

No. A-2 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including June 1, 2019 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 1.0% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated June 2, 1998, and assumed by the Issuer on _____, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing

public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on _____, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

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12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

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17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

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21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-3 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-4 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-5 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-6 BONDS");

29. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-7 BONDS"); AND

30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-2 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-2 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-2 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-

6 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-2 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: _____, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

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 2018 A-3 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3
(WEST VIRGINIA INFRASTRUCTURE FUND)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1998 C
(West Virginia Infrastructure Fund)

No. A-3 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including June 1, 2038 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference with interest of 1.0% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, to and including June 1, 2038 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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 United Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 by and between the Jefferson County Public Service District (the "District") and the Authority on behalf of the West

Virginia Infrastructure and Jobs Development Council, dated June 25, 1998, and assumed by the Issuer on _____, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on _____, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

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25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-2 BONDS");

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28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-6 BONDS");

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30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-3 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-3 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including Series 2018 A-1 Bonds, Series 2018 A-2, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as

there exists in the Series 2018 A-3 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2918 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-3 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: _____, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

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 2018 A-4 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1999 A
(West Virginia SRF Program)

No. A-4 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including March 1, 2030 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated November 17, 1999, and assumed by the Issuer on _____, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing

public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on _____, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT

AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-5 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-6 BONDS"); AND

29. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-7 BONDS");

30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-4 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-4 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however,

that so long as there exists in the Series 2018 A-4 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-4 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: _____, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

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 2018 A-5 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

No. A-5 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including December 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated June 1, 2000, and assumed by the Issuer on _____, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing

public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on _____, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-4 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-6 BONDS"); AND

31. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-7 BONDS"); AND

32. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-5 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-5 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-5 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-

6 Bonds, Series 2018 A-7 Bonds, Seris 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-5 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: _____, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

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 2018 A-6 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

No. A-6 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including December 1, 2038 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated June 2, 2008, and assumed by the Issuer on _____, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing

public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on _____, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT

AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-4 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-5 BONDS");

33. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-7 BONDS"); AND

34. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-6 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-6 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however,

that so long as there exists in the Series 2018 A-6 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-6 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: _____, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

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 2018 A-7 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7
(WEST VIRGINIA DWTRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 2014 A
(West Virginia DWTRF Program)

No. A-7 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including September 1, 2045 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference with interest of 0.50% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including September 1, 2045 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 by and between the Jefferson County Public Service District (the "District") and the Authority on behalf of the West Virginia Bureau for Public Health, dated April 17, 2014, and assumed by the Issuer on _____, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2018, and a Supplemental Resolution duly adopted by the Issuer on _____, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS");

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-4 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-5 BONDS");

35. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED _____, 2018, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2018 A-6 BONDS"); AND

36. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-7 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-7 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-7 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-7 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: _____, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

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 Agreements. The District Bonds were sold to the Authority, pursuant to the terms and conditions of the Loan Agreements. The Loan Agreements, including all schedules and exhibits attached thereto, and as assumed by the Issuer are hereby approved and incorporated into this Bond Legislation.

Section 3.12. Reserved.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Operation and Maintenance Fund (established by the Prior Ordinances).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances or Series 2018 B 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 1987 B Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1987 B Bonds Reserve Account (established by Prior Ordinances);

(3) Series 1988 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 1988 B-1 Bonds Reserve Account (established by Prior Ordinances);

(5) Series 1988 B-2 Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 1988 B-2 Bonds Reserve Account (established by Prior Ordinances);

(7) Series 1989 B Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 1989 B Bonds Reserve Account (established by Prior Ordinances);

(9) Series 1998 Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 1998 Bonds Reserve Account (established by Prior Ordinances);

(11) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);

(13) Series 2002 A Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2002 A Bonds Reserve Account (established by Prior Ordinances);

(15) Series 2002 B Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2002 B Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

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

(19) Series 2010 B Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2010 B Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2011 A Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2011 A Bonds Reserve Account (established by Prior Ordinances);

(27) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2014 A Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2014 A Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2014 C Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2014 C Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2014 D Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2014 D Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2014 E Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2014 E Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2016 B Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2016 B Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2018 A-1 Bonds Sinking Fund;

(46) Series 2018 A-1 Bonds Reserve Account;

(47) Series 2018 A-2 Bonds Sinking Fund;

(48) Series 2018 A-2 Bonds Reserve Account;

(49) Series 2018 A-3 Bonds Sinking Fund;

(50) Series 2018 A-3 Bonds Reserve Account;

(51) Series 2018 A-4 Bonds Sinking Fund;

(52) Series 2018 A-4 Bonds Reserve Account;

(53) Series 2018 A-5 Bonds Sinking Fund;

(54) Series 2018 A-5 Bonds Reserve Account

(55) Series 2018 A-6 Bonds Sinking Fund;

(56) Series 2018 A-6 Bonds Reserve Account

(57) Series 2018 A-7 Bonds Sinking Fund;

(58) Series 2018 A-7 Bonds Reserve Account;

(59) Series 2018 B Bonds Sinking Fund (established by Series 2018 B Ordinance); and

(60) Series 2018 B Bonds Reserve Account (established by Series 2018 B Ordinance).

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 by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances, Series 2018 B Ordinance and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances, Series 2018 B Ordinance and this Bond Legislation. All moneys at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the respective Prior Ordinances and Series 2018 B Ordinance to pay interest on the Series 1998 Bonds, Series 2000 A Bonds, Series 2002 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2014 A Bonds, Series 2014 C Bonds, Series 2014 D Bonds, Series 2014 E Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2016 A Bonds, Series 2016 B Bonds and Series 2018 B Bonds; (ii) for deposit in the Series 2018 A-3 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2018 A-3 Bonds on the next ensuing quarterly interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 A-3 Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date; and (iii) for deposit in the Series 2018 A-7 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2018 A-7 Bonds on the next ensuing quarterly interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 A-7 Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Sinking Funds for the Prior Bonds, the amounts required by the respective Prior Ordinances and Series 2018 B ordinance to pay the principal of the Prior Bonds and Series 2018 B Bonds; (ii) for deposit in the Series 2018 A-1 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 A-1 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 2018 A-1 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iii) for deposit in the Series 2018 A-2 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 A-2 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 2018 A-2 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iv) for deposit in the Series 2018 A-3 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 A-3 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 2018 A-3 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (v) for deposit in the Series 2018 A-4 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 A-4 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 2018 A-4 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (vi) for deposit in the Series 2018 A-5 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 A-5 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 2018 A-5 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal

payment date, the required amount of principal coming due on such date; (vii) for deposit in the Series 2018 A-6 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 A-6 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 2018 A-6 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (viii) for deposit in the Series 2018 A-7 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2018 A-7 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 2018 A-7 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the Prior Bonds and Series 2018 B Bonds, the amounts required by the respective Prior Ordinances and Series 2018 B Ordinance to be deposited therein; (ii) for deposit in the Series 2018 A-1 Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A-1 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A-1 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 2018 A-1 Bonds Reserve Requirement; (iii) for deposit in the Series 2018 A-2 Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A-2 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A-2 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 2018 A-2 Bonds Reserve Requirement; (iv) for deposit in the Series 2018 A-3 Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A-3 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A-3 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 2018 A-3 Bonds Reserve Requirement; (v) for deposit in the Series 2018 A-4 Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A-4 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A-4 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 2018 A-4 Bonds Reserve

Requirement; (vi) for deposit in the Series 2018 A-5 Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A-5 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A-5 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 2018 A-5 Bonds Reserve Requirement; (vii) for deposit in the Series 2018 A-6 Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A-6 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A-6 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 2018 A-6 Bonds Reserve Requirement; and (viii) for deposit in the Series 2018 A-7 Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A-7 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A-7 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 2018 A-7 Bonds Reserve Requirement.

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

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month transfer to the Renewal and Replacement Fund, an amount equal to 2.5% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) After making all of the foregoing deposits and payments, any excess moneys then remaining in the Revenue Fund ("Surplus Revenues") may be used for any lawful purpose of the System.

Moneys in the Series 2018 A-1 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2018 A-1 Bonds, as the same shall become due. Moneys in the Series 2018 A-1 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2018 A-1 Bonds, as the same shall come

due, when other moneys in the Series 2018 A-1 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2018 A-2 Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2018 A-2 Bonds, as the same shall become due. Moneys in the Series 2018 A-2 Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2018 A-2 Bonds, as the same shall come due, when other moneys in the Series 2018 A-2 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2018 A-3 Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2018 A-3 Bonds, as the same shall become due. Moneys in the Series 2018 A-3 Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2018 A-3 Bonds, as the same shall come due, when other moneys in the Series 2018 A-3 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2018 A-4 Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2018 A-4 Bonds, as the same shall become due. Moneys in the Series 2018 A-4 Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2018 A-4 Bonds, as the same shall come due, when other moneys in the Series 2018 A-4 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2018 A-5 Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2018 A-5 Bonds, as the same shall become due. Moneys in the Series 2018 A-5 Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2018 A-5 Bonds, as the same shall come due, when other moneys in the Series 2018 A-5 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2018 A-6 Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2018 A-6 Bonds, as the same shall become due. Moneys in the Series 2018 A-6 Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2018 A-6 Bonds, as the same shall come due, when other moneys in the Series 2018 A-6 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2018 A-7 Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2018 A-7 Bonds, as the same shall become due. Moneys in the Series 2018 A-7 Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2018 A-7 Bonds, as the same shall come due, when other moneys in the Series 2018 A-7 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2018 A-1 Bonds Sinking Fund and the Series 2018 A-1 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2018 A-1 Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2018 A-2 Bonds Sinking Fund and the Series 2018 A-2 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and

applied in full, first to the next ensuing interest payment, if any, due on the Series 2018 A-2 Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2018 A-3 Bonds Sinking Fund and the Series 2018 A-3 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2018 A-3 Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2018 A-4 Bonds Sinking Fund and the Series 2018 A-4 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2018 A-4 Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2018 A-5 Bonds Sinking Fund and the Series 2018 A-5 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2018 A-5 Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2018 A-6 Bonds Sinking Fund and the Series 2018 A-6 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2018 A-6 Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2018 A-7 Bonds Sinking Fund and the Series 2018 A-7 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2018 A-7 Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2018 A-1 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-1 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2018 A-2 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-2 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2018 A-3 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-3 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2018 A-4 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-4 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2018 A-4 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-4 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2018 A-5 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-5 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2018 A-6 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-6 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2018 A-7 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2018 A-7 Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2018 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2018 A-1 Bonds Sinking Fund or the Series 2018 A-1 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A-1 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2018 A-2 Bonds Sinking Fund or the Series 2018 A-2 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A-2 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2018 A-3 Bonds Sinking Fund or the Series 2018 A-3 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A-3 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2018 A-4 Bonds Sinking Fund or the Series 2018 A-4 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A-4 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2018 A-5 Bonds Sinking Fund or the Series 2018 A-5 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A-5 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2018 A-6 Bonds Sinking Fund or the Series 2018 A-6 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A-6 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2018 A-7 Bonds Sinking Fund or the Series 2018 A-7 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2018 A-7 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, Series 2018 B Bonds and the Series 2018 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2018 A-1 Bonds Sinking Fund, Series 2018 A-1 Bonds Reserve Account, Series 2018 A-2 Bonds Sinking Fund, Series 2018 A-2 Bonds Reserve Account, Series 2018 A-3 Bonds Sinking Fund, Series 2018 A-3 Bonds Reserve Account, Series 2018 A-4 Bonds Sinking Fund, Series 2018 A-4 Bonds Reserve Account, Series 2018 A-5 Bonds Sinking Fund, Series 2018 A-5 Bonds Reserve Account. Series 2018 A-6 Bonds Sinking Fund, Series 2018 A-6 Bonds Reserve Account, Series 2018 A-7 Bonds Sinking Fund, and Series 2018 A-7 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.

Moneys in Series 2018 A-1 Bonds Sinking Fund, Series 2018 A-1 Bonds Reserve Account, Series 2018 A-2 Bonds Sinking Fund, Series 2018 A-2 Bonds Reserve Account, Series 2018 A-3 Bonds Sinking Fund, Series 2018 A-3 Bonds Reserve Account, Series 2018 A-4 Bonds Sinking Fund, Series 2018 A-4 Bonds Reserve Account, Series 2018 A-5 Bonds Sinking Fund, Series 2018 A-5 Bonds Reserve Account. Series 2018 A-6 Bonds Sinking Fund, Series 2018 A-6 Bonds Reserve Account, Series 2018 A-7 Bonds Sinking Fund, and Series 2018 A-7 Bonds Reserve Account, shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2018 A-1 Bonds Sinking Fund and the Series 2018 A-1 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A-1 Bonds under the conditions and restrictions set forth herein.

The Series 2018 A-2 Bonds Sinking Fund and the Series 2018 A-2 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A-2 Bonds under the conditions and restrictions set forth herein.

The Series 2018 A-3 Bonds Sinking Fund and the Series 2018 A-3 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A-3 Bonds under the conditions and restrictions set forth herein.

The Series 2018 A-4 Bonds Sinking Fund and the Series 2018 A-4 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A-4 Bonds under the conditions and restrictions set forth herein.

The Series 2018 A-5 Bonds Sinking Fund and the Series 2018 A-5 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A-5 Bonds under the conditions and restrictions set forth herein.

The Series 2018 A-6 Bonds Sinking Fund and the Series 2018 A-6 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A-6 Bonds under the conditions and restrictions set forth herein.

The Series 2018 A-7 Bonds Sinking Fund and the Series 2018 A-7 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A-7 Bonds under the conditions and restrictions set forth herein.

B. The maximum annual debt service and Series 2018 A-3 Bonds Reserve Requirement is $_____. The Series 2018 A-3 Bonds Reserve Account will be funded as follows:

i. The Series 2018 A-3 Bonds Reserve shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ in the amount of $_____ or until an cumulative amount of $_____ has been deposited.

ii. The Series 2018 A-2 Bonds Reserve Requirement is $_____. The Issuer covenants and agrees to transfer moneys in the Series 2018 A-2 Bonds Reserve Account to the Series 2018 A-3 Bonds Reserve Account upon maturity of the Series 2018 A-2 Bonds. The Issuer covenants and agrees not to use the Series 2018 A-2 Bonds Reserve Account for the final payment of the Series 2018 A-2 Bonds.

The Issuer instructs the Commission to transfer moneys in the Series 2018 A-2 Bonds Reserve Account to the Series 2018 A-3 Bonds Reserve Account when the Series 2018 A-2 Bonds are paid in full.

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest,

principal and reserve payments with respect to the Series 2018 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the Administrative Fees pursuant to the Loan Agreements.

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

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

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

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

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

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

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

ARTICLE VI

[RESERVED]

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 2018 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2018 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2018 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2018 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2018 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2018 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds and Series 2018 B Bonds. The payment of debt service of the Series 2018 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds and Series 2018 B Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2018 A Bonds, Series 2018 B Bonds and the Prior Bonds and to make all other payments provided for in this Bond Legislation, Series 2018 B Ordinance and the Prior Ordinances 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 and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreements and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted _____, and the sewer rate ordinance of the Issuer enacted A_____, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2018 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreements. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2018 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Loan Agreements, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of

rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation, the Loan Agreements.

Section 7.05. Sale of the System. So long as the Prior Bonds or Series 2018 B Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and Series 2018 B Ordinance. Additionally, so long as the Series 2018 A Bonds are outstanding and except as otherwise required by law or with the written consent of 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 fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2018 A Bonds, immediately be remitted to the Commission and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2018 A Bonds. Any balance remaining after the payment of the Series 2018 A 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 $50,000, the Board 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 Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. 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 $200,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Series 2018 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2018 A Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System. Moneys received upon any such sale under this paragraph, after deduction of all costs of such sale, shall be deposited in the Revenue Fund.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any 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 2018 A Bonds, Series 2018 B Bonds and the Prior Bonds. All obligations issued by the Issuer after the assumption and re-designation of the Series 2018 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2018 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2018 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2018 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP, BPH and Council 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 System, or any other obligations related to the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds or Series 2018 B Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances and Series 2018 B Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the assumption and re-designation of the Series 2018 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances or Series 2018 B Ordinance).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2018 A Bonds.

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

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

(1) The Bonds then Outstanding;

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

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

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

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from the Gross 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.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2018 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2018 A Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, Series 2018 B Ordinance and the Prior Ordinances, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer then be in full compliance with all the covenants,

agreements and terms of this Bond Legislation, Series 2018 B Ordinance and the Prior Ordinances.

Section 7.08. Books; Records and Audit. The Board shall permit the Authority and the DEP, BPH and Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the System at all reasonable times for the purpose of audit and examination. The Board shall submit to the Authority and the DEP, BPH and Council such documents and information as they may reasonably require in connection with the operation and maintenance of the System.

The Board shall permit the Authority and the DEP, BPH and Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times.

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

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

The Board shall file with the Authority and the DEP, BPH and Council, or any other original purchaser of the Series 2018 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2018 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant (and to the extent legally required, in compliance with 2CFR 200, Subpart F, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of the Series 2018 A Bonds and

shall submit said report to the Authority and the DEP, BPH and Council, or any other original purchaser of the Series 2018 A Bonds. Such audit report submitted to the Authority and the DEP, BPH and Council 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 there are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether 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 Agreements and the Act, the Issuer has acquired, or shall do all things necessary to acquire the District Assets and shall do, is doing or has done all things necessary to acquire the District Assets. All real estate and interests in real estate and all personal property constituting the District Assets heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Board shall provide the Authority and the DEP, BPH and Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP, BPH and Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the assumption and re-designation of the Series 2018 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (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 on the Series 2018 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 A Bonds, including the Prior Bonds; provided, that in the event that amounts equal to or in excess of the reserve requirements are on deposit in the respective Series 2018 A Bonds Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2018 A Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2018 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 A Bonds, including the Prior Bonds and Series 2018 B Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04.

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 Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Board shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP, BPH and Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP, BPH and Council and any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

Section 7.11. Operating Personnel. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreements.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. 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 sewerage portion of the System and any services and facilities of the waterworks portion of the System, to all users of the services of the sewerage system delinquent in payment of charges for the services of the sewerage system and will not restore such services of either the waterworks system or the sewerage system until all delinquent charges for the services of the sewerage system, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such

water services, subject to any required approval of such agreements by the Public Service Commission of West Virginia.

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

Section 7.15. Insurance A. The Board hereby covenants and agrees that so long as the Series 2018 A Bonds remain Outstanding, the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Board will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

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

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

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

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

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

Section 7.16. Mandatory Use. The mandatory use of the sewer facilities 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. Accordingly, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every owner, tenant or occupant of any real property located near the sewer portion of the System, and where sewer from real property affects or drains into the sewer portion of the System, shall be deemed to be a user served by the sewer portion of the System and it is declared that the mandatory use of the sewer portion of the System by such real property owner is necessary and essential for the health and welfare of the inhabitants and residents of the Issuer and the State. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewer portion of the System, pay the rates and charges established therefor.

Section 7.17. Operation and Maintenance; Permits and Orders. The Board shall operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Board has obtained all permits required by state and federal laws for the acquisition of the District Assets and assumption and re-designation of the District Bonds and all approvals for acquisition of the District Assets and assumption and re-designation of the District Bonds required by state law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreements and Law. The Issuer and the Board shall perform, satisfy and comply with all the terms and conditions of the Loan Agreements and the Act. Notwithstanding anything herein to the contrary, the Issuer and the Board shall provide the DEP, BPH and Council with copies of all documents submitted to the Authority.

The Issuer and the Board shall also comply with all applicable laws, rules and regulations issued by the Authority and the DEP, BPH and Council or other state, federal or local bodies in regard to the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by the guidelines established by the Authority and the Public Service

Commission of West Virginia.

Section 7.19. Reserved.

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

Section 7.21. Reserved.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2018 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2018 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds and Series 2018 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, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment

earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2018 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2018 A Bonds from gross income for federal income tax purposes.

Section 8.02. Covenants as to Use of Proceeds. The Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2018 A Bonds as may be necessary in order to maintain the status of the Series 2018 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2018 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, BPH and Council, as the case may be, from which the proceeds of the Series 2018 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, BPH and 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 Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2018 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2018 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2018 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2018 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2018 A Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinances; or

(5) If deafult occurs with respect to the Series 2018 B Bonds or the Series 2018 B Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System; (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Holders of the Series 2018 A Bonds shall be on a parity with those of the Holders of the Prior Bonds and Series 2018 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, 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 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

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2018 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 Gross 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 2018 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 2018 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the assumption and re-designation of the Series 2018 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following assumption and re-designation of the Series 2018 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2018 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2018 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest 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 2018 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2018 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2018 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between this Ordinance, Series 2018 B Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds and Series 2018 B Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Manager, the City Clerk and members of the Governing Body and the 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 11.07. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson PLLC, Charleston, West Virginia, as bond counsel to the Issuer and the Board in connection with the assumption and re-designation by the Issuer of the Series 2018 A Bonds.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Spirit of Jefferson Advocate*, a newspaper published and of general circulation in the City of Charles Town, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the assumption and re-designation of the Series 2018 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office

hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.09. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading: July 16, 2018

Passed on Second Reading: August 20, 2018

Passed on Final Reading
Following Public Hearing: September 17, 2018

CITY OF CHARLES TOWN

By: _____
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF CHARLES TOWN on the 17th day of September, 2018.

Dated: December 27, 2018.

[SEAL]

City Clerk

City of Charles Town

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF 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 COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM) OF THE CITY OF CHARLES TOWN; APPROVING THE ASSUMPTION OF THE LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE ASSUMPTION, REDESIGNATION, REPLACEMENT AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER

DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, AND PAYING AGENT; RATIFYING THE PURCHASE AGREEMENT, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council (the "Governing Body") of the City of Charles Town (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective September 17, 2018 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION OF THE SEWER SYSTEM AND WATER SYSTEM OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING THE ASSUMPTION AND REDESIGNATION OF THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT'S SEWER REVENUE BONDS, SERIES 1988 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 1998 B (WEST VIRGINIA SRF PROGRAM); SEWER REVENUE BONDS, SERIES 1998 C (WEST VIRGINIA INFRASTRUCTUR FUND); SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM); SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM); SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA SRF PROGRAM); AND WATER REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA DWTRF PROGRAM) AS THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTUR FUND); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM); COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM); AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION AND RE-DESIGNATION OF SUCH BONDS; ASSUMING, APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING

THE ASSUMPTION AND RE-DESIGNATION AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Issuer desires to supplement the Bond Ordinance through this Supplemental Resolution;

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 assumption of the Jefferson County Public Service District (i) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767; (ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089; (iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039; (iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363; (v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the aggregate principal amount of $1,154,889; and (vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the aggregate principal amount of $2,005,000 (collectively, the "District Sewer Bonds"); Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the aggregate principal amount of $985,350 (the "District Water Bonds" and, together with the District Sewer Bonds, the "District Bonds"); and re-designation and replacement as (i) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority)"; (ii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)"; (iii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund)"; (iv) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program)"; (v) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program)"; (iv) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program)"; (vii) "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program)" (collectively, the "Series 2018 Bonds").

WHEREAS, the Bond Ordinance has authorized the assumption of (i) a loan agreement dated April 29, 1988, including all schedules and exhibits attached thereto, by and between Jefferson County Public Service District (the "District") and the West Virginia Water Development Authority (the "Authority"); (ii) a loan agreement dated June 2, 1988, including all schedules and exhibits attached thereto, by and among the District, the West Virginia Department of Environmental Protection (the "DEP") and the Authority; (iii) a loan agreement dated June 25, 1998, including all schedules and exhibits attached thereto, by and between the District and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"); (iv) a bond purchase agreement dated November 17, 1999, including all schedules and exhibits attached thereto, by and among the District, the Authority and the DEP; (v) a bond purchase agreement dated June 1, 2000, including all schedules and

exhibits attached thereto, by and among the District, the Authority and the DEP; (vi) a bond purchase agreement dated June 2, 2008, including all schedules and exhibits attached thereto, by and among the District, the Authority and the DEP; (vii) a loan agreement dated April 17, 2014, including all schedules and exhibits attached thereto, by and between the District and the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") (collectively, the "Loan Agreements").

WHEREAS, in the Bond Ordinance it is provided that the District Bonds be re-designated and replaced with the Series 2018 Bonds 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 2018 Bonds should be established by a supplemental resolution pertaining to the Series 2018 Bonds; and that other matters relating to the Series 2018 Bonds be herein provided for;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreements and the District Bonds be assumed by the Issuer, that the exact principal amount, the dates, the maturity date, the redemption provisions, the interest rates, if any, the interest and principal payment dates of the Series 2018 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2018 Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered

A. The assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767 (the "District 1988 B Bonds") and replacement of the District Series 1988 B Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), originally represented by a single Bond, numbered AR-1 (the "Series 2018 A-1 Bonds"). The Series 2018 A-1 Bonds shall be dated the Date of Closing, as hereinafter defined, shall finally mature on October 1, 2028 and shall bear no interest. The principal of the Series 2018 A-1 Bonds shall be payable annually on October 1 of each year, commencing October 1, 2019 to and including October 1, 2028 and in the amounts as set forth in Exhibit B of the Series 2018 A-1 Bonds. The Series 2018 A-1 Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2018 A-1 Bonds.

B. The assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089 (the "District 1998 B Bonds") and replacement of the District Series 1998 B Bonds with the City of Charles Town Combined Waterworks and Sewerage Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), originally represented by a single Bond, numbered A-2 (the Series 2018 A-2 Bonds"). The Series 2018 A-2 Bonds shall be dated the Date of Closing, shall finally

mature on June 1, 2019 and shall bear no interest. The principal of the Series 2018 A-2 Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2019 to and including June 1, 2019 and in the amounts as set forth in Exhibit B of the Series 2018 A-2 Bonds. The SRF Administrative Fee of 1.0% (as defined in the District 1998 B Loan Agreement) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth in Exhibit B of the Series 2018 A-2 Bonds. The Series 2018 A-2 Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2018 A-2 Bonds.

C. The assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039 (the "District 1998 C Bonds") and replacement of the District Series 1998 C Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), originally represented by a single Bond, numbered A-3 (the "Series 2018 A-3 Bonds"). The Series 2018 A-3 Bonds shall be dated the Date of Closing, shall finally mature on June 1, 2038 and shall bear interest at the rate of 1.0% per annum. The principal and interest of the Series 2018 A-3 Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2019 to and including June 1, 2038 and in the amounts as set forth in Exhibit B of the Series 2018 A-3 Bonds. The Series 2018 A-3 Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2018 A-3 Bonds.

D. The assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363 (the "District 1999 A Bonds") and replacement of the District Series 1999 A Bonds with the City of Charles Town Combined Waterworks and Sewerage Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), originally represented by a single Bond, numbered A-4 (the "Series 2018 A-4 Bonds"). The Series 2018 A-4 Bonds shall be dated the Date of Closing, shall finally mature on March 1, 2030 and shall bear no interest. The principal of the Series 2018 A-4 Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2019 to and including March 1, 2030 and in the amounts as set forth in Exhibit B of the Series 2018 A-4 Bonds. The SRF Administrative Fee of 0.50% (as defined in the District 1999 A Bond Purchase Agreement) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth in Exhibit B of the Series 2018 A-4 Bonds. The Series 2018 A-4 Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2018 A-4 Bonds.

E. The assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $1,154,889 (the "District 2000 A Bonds") and replacement of the District Series 2000 A Bonds with the City of Charles Town Combined Waterworks and Sewerage Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), originally represented by a single Bond, numbered A-5 (the

"Series 2018 A-5 Bonds"). The Series 2018 A-5 Bonds shall be dated the Date of Closing, shall finally mature on December 1, 2031 and shall bear no interest. The principal of the Series 2018 A-5 Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2019 to and including December 1, 2031 and in the amounts as set forth in Exhibit B of the Series 2018 A-5 Bonds. The SRF Administrative Fee of 0.50% (as defined in the District 2000 A Bond Purchase Agreement) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth in Exhibit B of the Series 2018 A-5 Bonds. The Series 2018 A-5 Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2018 A-5 Bonds.

F. The assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the original aggregate principal amount of $2,005,000 (the "District 2008 A Bonds") and replacement of the District Series 2008 A Bonds with the City of Charles Town Combined Waterworks and Sewerage Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), originally represented by a single Bond, numbered A-6 (the "Series 2018 A-6 Bonds"). The Series 2018 A-6 Bonds shall be dated the Date of Closing, shall finally mature on December 1, 2038 and shall bear no interest. The principal of the Series 2018 A-6 Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2019 to and including December 1, 2038 and in the amounts as set forth in Exhibit B of the Series 2018 A-6 Bonds. The SRF Administrative Fee of 0.50% (as defined in the District 2008 A Bond Purchase Agreement) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth in Exhibit B of the Series 2018 A-6 Bonds. The Series 2018 A-6 Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2018 A-6 Bonds.

G. The assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the original aggregate principal amount of $985,350 (the "District 2014 A Bonds") and replacement of the District Series 2014 A Bonds with the City of Charles Town Combined Waterworks and Sewerage Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), originally represented by a single Bond, numbered A-7 (the "Series 2018 A-7 Bonds"). The Series 2018 A-7 Bonds shall be dated the Date of Closing, shall finally mature on September 1, 2045 and shall bear interest at the rate of 0.50% per annum. The principal and interest of the Series 2018 A-7 Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2019 to and including September 1, 2045 and in the amounts as set forth in Exhibit B of the Series 2018 A-7 Bonds. The Administrative Fee of 0.50% (as defined in the District 2014 A Loan Agreement) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth in Exhibit B of the Series 2018 A-7 Bonds. The Series 2018 A-7 Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2018 A-7 Bonds.

Section 3. All other provisions relating to the Series 2018 Bonds and the text of the Series 2018 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 Agreements, copies of which are incorporated herein by reference, 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 Agreements and in the applications to the DEP, BPH and the Authority.

Section 5. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2018 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2018 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 2018 Bonds under the Bond Ordinance.

Section 7. A. The District's Series 1988 B Bonds Sinking Fund is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-1 Bonds Sinking Fund.

B. The District's Series 1998 B Bonds Sinking Fund is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-1 Bonds Sinking Fund.

C. The District's Series 1998 C Bonds Sinking Fund is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-3 Bonds Sinking Fund.

D. The District's Series 1999 A Bonds Sinking Fund is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-4 Bonds Sinking Fund.

E. The District's Series 2000 A Bonds Sinking Fund is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-5 Bonds Sinking Fund.

F. The District's Series 2008 A Bonds Sinking Fund is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-6 Bonds Sinking Fund.

G. The District's Series 2014 A Bonds Sinking Fund is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-7 Bonds Sinking Fund.

Section 8. A. The District's Series 1988 B Bonds Reserve Account is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-1 Bonds Reserve Account.

B. The District's Series 1998 B Bonds Reserve Account is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-1 Bonds Reserve Account.

C. The District's Series 1998 C Bonds Reserve Account is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-3 Bonds Reserve Account.

D. The District's Series 1999 A Bonds Reserve Account is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-4 Bonds Reserve Account.

E. The District's Series 2000 A Bonds Reserve Account is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-5 Bonds Reserve Account.

F. The District's Series 2008 A Bonds Reserve Account is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-6 Bonds Reserve Account.

G. The District's Series 2014 A Bonds Reserve Account is hereby assumed by the Issuer and renamed as the City of Charles Town, Series 2018 A-7 Bonds Reserve Account.

Section 9. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2018 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2018 Bonds may be delivered on or about December 27, 2018 (the "Date of Closing"), to the Authority.

Section 10. The Issuer does hereby authorize, approve, ratify and accept the Purchase Agreement dated March 1, 2018 by and between the District and the Issuer.

Section 11. The assumption of the Loan Agreements and the District Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

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Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 3rd day of December, 2018.

CITY OF CHARLES TOWN

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Charles Town on the 3rd day of December, 2018.

Dated: December 27, 2018.

[SEAL]

Clerk

144220.00043

1988 B
4-29-1988

WDA-Supp. 5
(March 1988)

SUPPLEMENTAL LOAN AGREEMENT

THIS SUPPLEMENTAL 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"), and the governmental agency designated below (the "Governmental Agency").

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all 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 construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds, including supplemental, subordinate revenue bonds, issued by the Governmental Agency;

WHEREAS, the Governmental Agency intends to construct, is constructing or has constructed such a water development 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;

WHEREAS, on or prior to the date hereof, the Governmental Agency and the Authority entered a loan agreement with respect to the purchase by the Authority of certain Local Bonds of the Governmental Agency, all as more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Loan Agreement"); and

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act, and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of supplemental, subordinate revenue bonds of the Governmental Agency with certain available funds of the Authority (other than the proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a certain general revenue bond resolution adopted by the Board of the Authority, as supplemented), subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's supplemental water development loan program (the "Supplemental 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; Loan Agreement

1.1 Capitalized terms used and not otherwise defined herein shall have the meanings respectively given them by the Loan Agreement.

1.2 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

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

1.4 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, to evidence the Supplemental Loan, as hereinafter defined, and to be purchased by the Authority with certain available funds (other than the proceeds of its water development revenue bonds), the lien of which on the revenues

of the System is junior, subordinate and inferior to that of the Local Bonds, all in accordance with the provisions of this Supplemental Loan Agreement.

1.5 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds pursuant to this Supplemental Loan Agreement.

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

1.7 This Supplemental Loan Agreement is supplemental to the Loan Agreement, the terms of which are incorporated herein by reference.

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 having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Department of Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

2.2 Subject to the terms, conditions and provisions of this Supplemental Loan Agreement and of 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.

2.4 The Governmental Agency agrees that the Authority and its 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 its duly authorized agents shall, prior to, at 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 in respect of 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, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project and the administration of the Supplemental 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 its agents 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.

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.

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 Authority. 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 and maintained so long as any of the Supplemental Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Supplemental Bonds is outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to 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 resident engineer shall certify to the Authority 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 agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Supplemental Loan Agreement.

2.11 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by 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.

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

3.1 The agreement of the Authority to make the Supplemental Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Supplemental Bonds, which shall be the

date established pursuant to Section 3.4 of the Loan Agreement for delivery of the Local Bonds. 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 Supplemental Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Supplemental Bonds described in this Article III and in Article IV hereof and shall have delivered to the Authority for purchase the Local Bonds in accordance with the Loan Agreement;

(c) The Governmental Agency shall either have received bids or entered 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 Supplemental Loan will refund an interim financing of construction, 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 shall have received a certificate of the Consulting Engineers to such effect;

(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 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") necessary for the construction of the Project and operation of the System, and the Authority 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;

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Supplemental Bonds required by State law, and the Authority 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), and the Authority 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;

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

(i) The net proceeds of the Supplemental Bonds, together with the net proceeds of the Local Bonds and all other 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) 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 water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Supplemental Loan Agreement, the rules and regulations promulgated by the Authority 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 Supplemental Loan to the Governmental Agency and the Governmental Agency shall accept the Supplemental 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 Supplemental Loan by purchasing the Supplemental Bonds in the principal amount and at the price set forth in Schedule X hereto. The Supplemental Bonds shall have such further terms and provisions as described in Article IV hereof.

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

3.4 The Supplemental Loan will be made only in conjunction with the Loan. The Supplemental Bond shall be delivered to the Authority, at the offices of the Authority,

simultaneously with the delivery of the Local Bond to the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Supplemental Loan Agreement and the Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies under the conditions and in the manner described in the Loan Agreement. The Governmental Agency further understands and acknowledges that the Authority's obligation to make the Supplemental Loan is subject to the availability on the Date of Loan Closing of funds legally available therefor.

3.6 Anything in this Loan Agreement notwithstanding, if the Authority is unable to pay the proceeds of the Supplemental Bonds to the Governmental Agency on the Date of Loan Closing due to the time required for processing the purchase order or requisition for such moneys with the State, the Authority may pay such proceeds as soon as received after the Date of Loan Closing; provided, that the Supplemental Bonds shall not evidence any debt to be repaid to the Authority until the proceeds thereof are received by the Governmental Agency.

ARTICLE IV

Supplemental Bonds; Security for Supplemental Loan; Repayment of Supplemental Loan; No Interest on Supplemental Loan; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Supplemental Loan, authorize the issuance of and issue the Supplemental Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as set forth on Schedule Y attached hereto and incorporated herein by reference. The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Supplemental Bonds shall be secured by the gross or net revenues from the System, as more fully set forth in Schedules X and Y attached hereto, subject to the prior and senior security therefrom granted to the Local Bonds;

(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 the Supplemental 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 the Supplemental Bonds or, if the reserve accounts established for the payment of debt service on the Local Bonds (the "Reserve Account") and for the payment of debt service on the Supplemental Bonds (the "Supplemental Reserve Account") are funded (whether by bond proceeds, monthly deposits or otherwise), respectively, at an amount at least 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") or on the Supplemental Bonds in the then current or any succeeding year (the "Supplemental Reserve Requirement"), as the case may be, 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 the Supplemental Bonds and any such prior or parity obligations;

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

(iv) That, except as otherwise required by State law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds and Supplemental 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 Supplemental Bonds, except the Local Bonds and bonds on a parity with the Supplemental Bonds, which parity bonds 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 Supplemental Bonds and parity bonds theretofore and then being issued and on the Local Bonds and any other obligations secured by a lien on or payable from the revenues of the System prior to the Supplemental Bonds; provided, however, that additional parity Local Bonds and additional parity Supplemental 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 any Supplemental Bond owner 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 Supplemental Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Projec , or both, as provided by law, subject to the prior and senior rights of the owner or owners of the Local Bonds;

(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 and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Supplemental Loan Agreement;

(xii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(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 Supplemental Bonds, except any proceeds deposited in the Reserve Account or the Supplemental Reserve Account, must be deposited in a construction fund on which the owners of the Supplemental Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs); provided, that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon, but shall otherwise be kept separate and apart from all other funds of the Governmental Agency; and

(xv) That, as long as the Authority is the owner of any of the Supplemental Bonds, the Governmental Agency shall not authorize redemption of any Supplemental Bonds by it without the written consent of the Authority.

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, sale and delivery of the Supplemental 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 Supplemental 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 the prior and senior security therefrom for the Local Bonds and to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the Supplemental Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto.

4.4 The Supplemental Loan shall not bear interest.

4.5 The Supplemental 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.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Supplemental Program, which administrative expenses shall be as determined by the Authority and shall include, but not be limited to, legal fees paid by the Authority.

4.7 If the schedule furnished to the Authority pursuant to Section 6.5 reflects an excess of funding for the Project, or if the Authority is otherwised advised of an excess of funding for the Project, the Authority may tender to the Governmental Agency its Supplemental Bonds for payment in an amount equal to such excess. Notwithstanding the foregoing, if the Governmental Agency has grant anticipation notes or some other interim financing outstanding upon completion of construction of the Project, it shall advise the Authority of such fact and submit a second schedule to the Authority upon payment of the interim financing, and the Authority shall not tender its Supplemental Bonds for payment until the outstanding interim financing has been paid.

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 Supplemental 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 Supplemental Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 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 and the Supplemental Bonds shall prove to be insufficient to produce the minimum sums set

forth in the Local Act, 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 so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Supplemental Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the rate of five percent (5%) per annum, 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 Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency 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 Supplemental Loan Agreement.

6.2 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Supplemental Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time provided, 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 Supplemental Loan and receiving the Supplemental Bonds, the Authority shall have the right to cancel all or any of its obligations under this Supplemental Loan Agreement if (a) any representation made to

the Authority by the Governmental Agency in connection with the Loan or the Supplemental 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 Loan Agreement or this Supplemental Loan Agreement.

6.3 The Governmental Agency hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority for the planning or design of the Project, and such repayment shall be a condition precedent to the Authority's making the Supplemental Loan.

6.4 The Governmental Agency hereby agrees to give the Authority prior written notice of the issuance by it of any other obligations to be used for the Project, 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 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 Additional definitions, additional terms and provisions of the Supplemental Loan and additional covenants and agreements of the Governmental Agency are set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Supplemental Loan Agreement.

7.2 Schedule X shall be attached to this Supplemental 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.

7.3 If any provision of this Supplemental 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 Supplemental Loan Agreement, and this Supplemental Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.4 This Supplemental 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 Supplemental Loan Agreement.

7.5 No waiver by either party of any term or condition of this Supplemental 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 Supplemental Loan Agreement.

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

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

7.8 This Supplemental Loan Agreement shall terminate upon the earlier of:

(i) termination by the Authority of the Loan Agreement pursuant to Subsections 7.8(i) or (ii) thereof;

(ii) termination by the Authority pursuant to Section 6.2 hereof; or

(iii) payment in full of the principal of the Supplemental Loan and of any fees and charges owed by the Governmental Agency to the Authority.

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

Jefferson County Public Service District
[Proper Name of Governmental Agency]

(SEAL)

By Stanley E. Zombro
Its Chairman

Attest:

Date: April 25, 1988

Carole A. Hall
Its Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By Edgar N. Henry
Director

Attest:

Date: 4/29/88

Daniel B. Lyntonsky
Secretary-Treasurer

WDA-Supp. 5X
(March 1988)

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds $ 425,767

Purchase Price of Supplemental Bonds $ 425,767

Principal of the Supplemental Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference. The Supplemental Bonds bear no interest.

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

As of the date of the Supplemental Loan Agreement, the Supplemental Bonds are subordinate as to source of and security for payment to the following obligations, in addition to the Local Bonds:

. EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated _____, 19__, including all schedules and exhibits attached thereto (the "Supplemental Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), and (ii) the issue of a series of supplemental, subordinate revenue bonds of the Governmental Agency, dated _____, 19__ (the "Supplemental Bonds"), to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

The Supplemental Loan Agreement is supplemental to a loan agreement dated _____, _____, also between the Governmental Agency and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement (the "Local Bonds"), which Local Bonds are issued simultaneously herewith.

The Supplemental Bonds are issued, together with the Local Bonds, for the purpose of _____ and 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 enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Supplemental Bonds are authorized and issued, and the Supplemental Loan Agreement that has been undertaken. The Supplemental 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 Supplemental 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 Supplemental 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 Supplemental Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Supplemental Loan Agreement and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Supplemental Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement.

5. The Supplemental Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Supplemental Bonds and the Local Act, and have been duly issued and delivered to the Authority. Said lien and pledge are junior, subordinate and inferior to that created for the Local Bonds [and _____].

6. The Supplemental Bonds are, by statute, exempt _____.

No opinion is given herein as to the effect upon enforceability of the Supplemental 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 executed and authenticated Supplemental Bond numbered SR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

EXHIBIT 1

DEBT SERVICE SCHEDULE

ANALYSIS OF 7.2 BORROWING COST FOR LOCAL ISSUER

----------1988 SERIES A BONDS ----------

	ZERO COUPON BONDS
1988	
1989	
1990	10,917.00
1991	10,917.00
1992	10,917.00
1993	10,917.00
1994	10,917.00
1995	10,917.00
1996	10,917.00
1997	10,917.00
1998	10,917.00
1999	10,917.00
2000	10,917.00
2001	10,917.00
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2013	10,917.00
2014	10,917.00
2015	10,917.00
2016	10,917.00
2017	10,917.00
2018	10,917.00
2019	10,917.00
2020	10,917.00
2021	10,917.00
2022	10,917.00
2023	10,917.00
2024	10,917.00
2025	10,917.00
2026	10,917.00
2027	10,917.00
2028	10,921.00
	425,767.00

WDA-Supp. 5Y-PSD Sewer
(March 1988)

SCHEDULE Y
REVENUES

In accordance with Subsection 4.1(a) of the Supplemental Loan Agreement, the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as follows:

(i) as prescribed by the Loan Agreement, to pay Operating Expenses of the System;

(ii) as prescribed by the Loan Agreement, to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if 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) in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than 10 years) 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) as prescribed by the Loan Agreement, 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;

(iv) beginning thirteen (13) months prior to the first date of payment of principal of the Supplemental Bonds, to provide debt service on the Supplemental Bonds by

depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than 10 years) of the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by Supplemental Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

(v) to provide debt service on and requisite reserves for any other subordinate indebtedness of the Governmental Agency held or owned by the Authority; and

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

SCHEDULE Z

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.

2. "Local Statute" means Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended.

3. "System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Governmental Agency, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Department of Natural Resources and EPA.

2. The Governmental Agency agrees that it will permit the EPA 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.

3. As a condition precedent to the Authority's making the Supplemental Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Department of Natural Resources and approval of the "Part B" supplement to its EPA grant agreement.

4. The Local Act shall contain a covenant substantially as follows:

> That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the

Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

5. To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for federal financial assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State.

6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Supplemental Loan Agreement, and to the prior lien of the Local Bonds, the net revenues derived from the operation of the System are pledged to the payment of the principal of the Supplemental Bonds.

7. The paying agent for the Supplemental Bonds shall be the West Virginia Municipal Bond Commission or any successor to the functions thereof.

1998 B
6-2-1998

SRF-LP-1
(September 1997)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan 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 DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
(Local Government)

WITNESSETH:

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 20, Article 5I, 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 direct the distribution of loans to 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 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 make loans from the Fund to local governments 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 construct, operate and improve a wastewater treatment project and to finance the cost of constructing or acquiring 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 a Loan with attachments and exhibits and an Amended Application for a 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 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.

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 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

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

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

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

1.7 "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.

1.8 "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.

1.9 "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.

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

1.11 "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.

1.12 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 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 Loan Agreement and of 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, at 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 Loan 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.

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. 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 Loan 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 resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the 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 Recipient As-Built Plans, 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 agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Local Government agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 25% 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 construction of the Project and for two years following the completion 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 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 the Form to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan 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 a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan 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 Loan 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 Loan will refund an interim financing of construction, 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") necessary for the construction of the Project and operation of the System, 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, 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 Subsection 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountants 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 Loan 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 make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government 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 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 Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date set forth in Exhibit E hereto.

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 loans to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan 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 loans will be originated in conjunction with the SRF Regulations and with the approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, 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 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. The revenues generated from the operation of the System 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 an amount at least 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 the net revenues from the System;

(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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) 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 will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may be sold, mortgaged, leased or otherwise disposed of as a whole or substantially as a whole provided that the net proceeds to be realized from such sale, mortgage, lease or other deposition 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 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 any Local Bond owner 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 the Local Government is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Government's revenues are adequate to meet its operation and maintenance expenses and debt service 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 for non-construction costs) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding 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 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 West Virginia Municipal Bond Commission (the "Commission") its required interest, principal and reserve fund 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 to the Authority by the 5th day of such calendar month;

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Code, 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 Code, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, 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.

The Local Government 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, 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 Loan 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 Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority 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 make any loans 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 make the Loan.

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 Loan Agreement and the Local Act. The Local Government 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, as set forth in the Local Act and in compliance with the provisions of Subsection 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 minimum sums set forth in the Local Act, 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 so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, 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 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 directly charges upon users 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 local governments in the terms and covenants of loan agreements, 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 Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP 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 DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan 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 SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan 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 Loan.

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 Project, 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 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 Schedule 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 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 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.

7.3 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.

7.4 No waiver by any 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.

7.5 This Loan Agreement merges and 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.

7.6 By execution and delivery of this Loan 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 Loan Agreement shall terminate upon the earlier of:

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

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

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

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.

Jefferson County PSD
[Proper Name of Local Government]

(SEAL)

By: Stanley E. Jenkins
Its: Chairman

Attest:

Date: June 4, 1998

Carole A. Hall
Its Secretary

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara E. Taylor by WSB
Its: Chief, Office of Water Resources

Date: 6/8/98

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: David B. Lyons
Its: Director

Attest:

Date: June 2, 1998

Barbara B. Meadows
Secretary-Treasurer

APPROVED AS TO FORM PRIOR TO ACKNOWLEDGEMENT THEREOF, THIS 25th day of September, 19 97
DARRELL V. McGRAW, JR.
ATTORNEY GENERAL
By: Dawn E. Warfield
DEPUTY ATTORNEY GENERAL

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

[Form of Monthly Financial Report]
[Name of Local Government]
[Name of Bond Issue]
Fiscal Year - __
Report Month: _____

ITEM	CURRENT MONTH	YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET DIFFERENCE
1. Gross Revenues Collected				
2. Operation and Maintenance Expense				
3. Other Bond Debt Payments (including Reserve Fund deposits)				
4. SRF Bond Payments (include Reserve Fund deposits)				
5. Renewal and Replacement Fund Deposit				
6. Funds available for capital construction				

Witnesseth my signature this __ day of ____, ____.

[Name of Local Government]

By: _____
Authorized Officer

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 that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19___, effective _____, 19___, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated _____, 19___.

1. The Bonds are being issued for the purpose of _____ _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the ____ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (vi) 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 irrevocably committed therefor, are sufficient to pay the costs of construction and

acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this _____ day of _____, 19___.

_____

By _____

West Virginia License No. __

[SEAL]

EXHIBIT E

SPECIAL CONDITIONS

A. The recipient agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations 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)) - The loan recipient that receives $25,000 or more in a fiscal year must obtain audits in accordance with the Single Audit Act of 1984 and OMB Circular 128. Financial statement audits are required once all funds have been received by the loan recipient.

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest $____

Principal $____

Total: $____

Reserve Fund: $____

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 Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19__, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Government and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, 19_ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable _____ 1, ____ 1, _____ 1, and _____ 1 of each year, beginning _____ 1, 19_, at the respective rate or rates and with principal payable in installments on _____ 1 in each of the years, all as follows:

Year	Installment	Interest Rate

The Local Bonds are issued for the purpose of _____ and 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 enacted by the Local Government on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that 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 Local Government and is a valid and binding special obligation of the Local Government enforceable in accordance with the terms thereof.

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

3. The Local Government is a duly organized and presently existing _____ _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Government has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. 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 are valid and legally enforceable special obligations of the Local Government, payable from the net revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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 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 BONDS

Principal Amount of Bonds	$ 599,089
Purchase Price of Bonds	$ 599,089

Interest on the Bonds shall be zero percent from the date of delivery ~~to and including~~ _____. Principal ~~and interest~~ on the Bonds is payable quarterly, commencing Sept. 1, 1999, at a rate of 0 % per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has [other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds] or [provide list of outstanding debt]. (See attached schedule) *

The Local Government shall submit its payments monthly to the West Virginia Municipal Bond Commission with instructions that the West Virginia Municipal Bond Commission will make quarterly payments to the West Virginia Water Development Authority at such address as is given to the Bond Commission in writing by the Authority. If the Reserve Fund 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 Bond Commission. The Local Government shall instruct the Bond 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 Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority a first lien on the net revenues of the Local Government's system.

The Local Government may prepay the 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 Bonds which request must be filed at least 60 days prior to the intended date of issuance.

*Sewer Revenue Bonds, Series 1988B, issued May 5, 1988, in the original principal amount of $425,767. (WDA Program)

Sewer Revenue Bonds, Series 1993A,issued November 10, 1993, in the original principal amount of $971,000. (SRF Program)

Sewer Refunding Revenue Bonds, Series 1998A, issued March 12, 1998, in the original principal amount of $2,430,000.

SCHEDULE Y

Jefferson County PSD, WV
SRF Fund Loan
$599,089, 20 Years, 0% Interest, 1% Admin. Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/1999	-	-	-
9/01/1999	7,489.00	-	7,489.00
12/01/1999	7,489.00	-	7,489.00
3/01/2000	7,489.00	-	7,489.00
6/01/2000	7,489.00	-	7,489.00
9/01/2000	7,489.00	-	7,489.00
12/01/2000	7,489.00	-	7,489.00
3/01/2001	7,489.00	-	7,489.00
6/01/2001	7,489.00	-	7,489.00
9/01/2001	7,489.00	-	7,489.00
12/01/2001	7,489.00	-	7,489.00
3/01/2002	7,489.00	-	7,489.00
6/01/2002	7,489.00	-	7,489.00
9/01/2002	7,489.00	-	7,489.00
12/01/2002	7,489.00	-	7,489.00
3/01/2003	7,489.00	-	7,489.00
6/01/2003	7,489.00	-	7,489.00
9/01/2003	7,489.00	-	7,489.00
12/01/2003	7,489.00	-	7,489.00
3/01/2004	7,489.00	-	7,489.00
6/01/2004	7,489.00	-	7,489.00
9/01/2004	7,489.00	-	7,489.00
12/01/2004	7,489.00	-	7,489.00
3/01/2005	7,489.00	-	7,489.00
6/01/2005	7,489.00	-	7,489.00
9/01/2005	7,489.00	-	7,489.00
12/01/2005	7,489.00	-	7,489.00
3/01/2006	7,489.00	-	7,489.00
6/01/2006	7,489.00	-	7,489.00
9/01/2006	7,489.00	-	7,489.00
12/01/2006	7,489.00	-	7,489.00
3/01/2007	7,489.00	-	7,489.00
6/01/2007	7,489.00	-	7,489.00
9/01/2007	7,489.00	-	7,489.00
12/01/2007	7,489.00	-	7,489.00
3/01/2008	7,489.00	-	7,489.00
6/01/2008	7,489.00	-	7,489.00
9/01/2008	7,489.00	-	7,489.00
12/01/2008	7,489.00	-	7,489.00
3/01/2009	7,489.00	-	7,489.00
6/01/2009	7,489.00	-	7,489.00
9/01/2009	7,489.00	-	7,489.00
12/01/2009	7,489.00	-	7,489.00
3/01/2010	7,489.00	-	7,489.00
6/01/2010	7,489.00	-	7,489.00

Jefferson County PSD, WV
SRF Fund Loan
$599,089, 20 Years, 0% Interest, 1% Admin. Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2010	7,489.00	-	7,489.00
12/01/2010	7,489.00	-	7,489.00
3/01/2011	7,489.00	-	7,489.00
6/01/2011	7,489.00	-	7,489.00
9/01/2011	7,489.00	-	7,489.00
12/01/2011	7,488.00	-	7,488.00
3/01/2012	7,488.00	-	7,488.00
6/01/2012	7,488.00	-	7,488.00
9/01/2012	7,488.00	-	7,488.00
12/01/2012	7,488.00	-	7,488.00
3/01/2013	7,488.00	-	7,488.00
6/01/2013	7,488.00	-	7,488.00
9/01/2013	7,488.00	-	7,488.00
12/01/2013	7,488.00	-	7,488.00
3/01/2014	7,488.00	-	7,488.00
6/01/2014	7,488.00	-	7,488.00
9/01/2014	7,488.00	-	7,488.00
12/01/2014	7,488.00	-	7,488.00
3/01/2015	7,488.00	-	7,488.00
6/01/2015	7,488.00	-	7,488.00
9/01/2015	7,488.00	-	7,488.00
12/01/2015	7,488.00	-	7,488.00
3/01/2016	7,488.00	-	7,488.00
6/01/2016	7,488.00	-	7,488.00
9/01/2016	7,488.00	-	7,488.00
12/01/2016	7,488.00	-	7,488.00
3/01/2017	7,488.00	-	7,488.00
6/01/2017	7,488.00	-	7,488.00
9/01/2017	7,488.00	-	7,488.00
12/01/2017	7,488.00	-	7,488.00
3/01/2018	7,488.00	-	7,488.00
6/01/2018	7,488.00	-	7,488.00
9/01/2018	7,488.00	-	7,488.00
12/01/2018	7,488.00	-	7,488.00
3/01/2019	7,488.00	-	7,488.00
6/01/2019	7,488.00	-	7,488.00
TOTAL	599,089.00	-	599,089.00 *

*Plus $758.21 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $60,656.80.

1998 C
6-25-1998

IC/WDA-1
(July 1996)

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");

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
(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 construct, operate and improve a project, as defined by the Act, and to finance the cost of constructing or acquiring 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," "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 Council Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political sub-divisions, and 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 Division 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 of 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 its 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 its duly authorized agents and representatives shall, prior to, at 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 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, acting by and through its Director or his 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 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 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 its 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.

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 Authority. 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 is outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate resident 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 resident engineer shall certify to the Authority 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 agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained 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 construction of the Project and for two years following the completion 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 15th of each month to the Authority and Council.

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, 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 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 financing of construction, 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 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 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") 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 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;

(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 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 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;

(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 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, 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 water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority 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 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 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.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans 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 it has available in the Infrastructure Fund funds sufficient to purchase all the Local Bonds and that, prior to such execution, 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 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. The revenues generated from the operation of the System 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, if any (the "Reserve Account"), was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to an amount at least 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 the gross or net revenues from the System, as more fully set forth in Schedules X and Y attached hereto;

(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, if any, established for the payment of debt service on the Local Bonds (the "Reserve Account") is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount at least 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") 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 will 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, based upon the rates, Operating Expenses and customer usage on the date of closing, 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; 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 any Local Bond owner 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, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

(xii) That the Governmental Agency shall annually adopt a detailed 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 within 30 days of adoption thereof;

(xiii) That for wastewater systems, 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 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 for non-construction costs) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding 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, 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, unless it qualifies for an exception to the provisions of Section 148 of the Code, 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 Code, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xvii) That the Governmental Agency shall take any and all action, or shall refrain from taking any action, 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;

(xviii) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached to the Loan Application, 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, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project;

(xix) To the extent applicable, that the Governmental Agency shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, 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;

(xx) 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 Code) from time to time as the Authority may request; and

(xxi) 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. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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, 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 of first payment 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 State's general obligation 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, as 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 minimum sums set forth in the Local Act, 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 so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, 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 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 shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority 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 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 prior written notice of the issuance by it of any other obligations to be used for the Project, 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 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 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency 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 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

7.3 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.

7.4 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.

7.5 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.

7.6 This Loan Agreement merges and 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.

7.7 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.

7.8 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 if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority 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.

7.9 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 Division 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.

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.

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: Stanley E. Zombro
Its: Chairman

Attest:
Its: Secretary

Date: 6/25/98

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Director

Attest:
Secretary-Treasurer

Date: 6/25/98

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 that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19_, effective _____, 19_, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority") dated _____, 19_.

1. The Bonds are being issued for the purpose of _____ _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least _____ years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) the chosen bidder received any and all addenda to the original bid documents; (v) the bid documents reflect the Project as approved by the West Virginia [Division of Environmental Protection][Bureau for Public Health]; (vi) the chosen bid includes every construction item necessary to complete the Project, or explains any deviation thereof; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (ix) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b)(ii) 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 irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this ___ day of ____, 19_.

_____

By: _____

West Virginia License No. _____

[SEAL]

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
c/o 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 (i) the authorization of a loan agreement dated _____, 19__, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, 19_ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest and principal payable in installments on September 1, December 1, March 1 and June 1 of each year, beginning _____, at the rate as set forth in Exhibit A incorporated in and made a part of the Bonds.

The Local Bonds are issued for the purpose of _____ and 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 enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. 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 are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. [If required, 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 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]

Fiscal Year - __

Report Month: _____

	ITEM	CURRENT MONTH	YEAR TO DATE	BUDGET YEAR TO DATE	DIFFERENCE
1.	Gross Revenues Collected				
2.	Operation and Maintenance Expense				
3.	Other Bond Debt Payments (including Reserve Fund deposits)				
4.	Bond Payments (include Reserve Fund deposits)				
5.	Renewal and Replacement Fund Deposit				
6.	Funds available for capital construction				

Witnesseth my signature this __ day of ____, 19__.

[Name of Governmental Agency]

By: _____
Authorized Officer

CHASFS3:58465

SCHEDULE X

DESCRIPTION OF BONDS

Principal Amount of Bonds	$662,039
Purchase Price of Bonds	$662,039

Principal and interest on the Bonds is payable quarterly, commencing September 1, 2019, or such earlier or later date as provided for in Section 5.03A(2) of the Bond Resolution, to and including June 1, 2038, at a rate of 1% per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 commencing September 1, 2019, or such earlier or later date as provided for in Section 5.03A(2) of the Bond Resolution, as set forth on Schedule Y attached hereto and incorporated herein by reference. The Bonds shall be issued on a parity with the Governmental Agency's Sewer Revenue Bonds, Series 1988 B, dated May 5, 1988; Sewer Revenue Bonds, Series 1993 A, dated November 10, 1993; Sewer Refunding Revenue Bonds, Series 1998 A, dated February 15, 1998; and with the Governmental Agency's Sewer Revenue Bonds, Series 1998 B, issued simultaneously therewith.

The Governmental Agency shall submit its payments monthly to the West Virginia Municipal Bond Commission which will make quarterly payments to the West Virginia Water Development Authority at such address as is given to the West Virginia Municipal Bond Commission in writing by the Authority.

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal and interest and such Bonds shall grant the Authority a first lien on the net revenues of the Governmental Agency's system.

The Governmental Agency may prepay the 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 Bonds which request must be filed at least 60 days prior to the intended date of issuance.

Schedule Y

Quarterly Debt Service Schedule

Jefferson County Public Service District
$662,039
Infrastructure Fund Loan

Term (Yrs.): 40 Loan Rate: 1.00%

First Payment: 09/01/19 Final Payment: 6/1/38

Date	#	Principal	Interest	Total
6/1/98		-	-	-
9/1/98		-	-	-
12/1/98		-	-	-
3/1/99		-	-	-
6/1/99		-	-	-
9/1/99		-	-	-
12/1/99		-	-	-
3/1/00		-	-	-
6/1/00		-	-	-
9/1/00		-	-	-
12/1/00		-	-	-
3/1/01		-	-	-
6/1/01		-	-	-
9/1/01		-	-	-
12/1/01		-	-	-
3/1/02		-	-	-
6/1/02		-	-	-
9/1/02		-	-	-
12/1/02		-	-	-
3/1/03		-	-	-
6/1/03		-	-	-
9/1/03		-	-	-
12/1/03		-	-	-
3/1/04		-	-	-
6/1/04		-	-	-
9/1/04		-	-	-
12/1/04		-	-	-
3/1/05		-	-	-
6/1/05		-	-	-
9/1/05		-	-	-
12/1/05		-	-	-
3/1/06		-	-	-
6/1/06		-	-	-
9/1/06		-	-	-
12/1/06		-	-	-
3/1/07		-	-	-
6/1/07		-	-	-
9/1/07		-	-	-
12/1/07		-	-	-
3/1/08		-	-	-

Schedule Y

Quarterly Debt Service Schedule

Date	#	Principal	Interest	Total
6/1/08		-	-	-
9/1/08		-	-	-
12/1/08		-	-	-
3/1/09		-	-	-
6/1/09		-	-	-
9/1/09		-	-	-
12/1/09		-	-	-
3/1/10		-	-	-
6/1/10		-	-	-
9/1/10		-	-	-
12/1/10		-	-	-
3/1/11		-	-	-
6/1/11		-	-	-
9/1/11		-	-	-
12/1/11		-	-	-
3/1/12		-	-	-
6/1/12		-	-	-
9/1/12		-	-	-
12/1/12		-	-	-
3/1/13		-	-	-
6/1/13		-	-	-
9/1/13		-	-	-
12/1/13		-	-	-
3/1/14		-	-	-
6/1/14		-	-	-
9/1/14		-	-	-
12/1/14		-	-	-
3/1/15		-	-	-
6/1/15		-	-	-
9/1/15		-	-	-
12/1/15		-	-	-
3/1/16		-	-	-
6/1/16		-	-	-
9/1/16		-	-	-
12/1/16		-	-	-
3/1/17		-	-	-
6/1/17		-	-	-
9/1/17		-	-	-
12/1/17		-	-	-
3/1/18		-	-	-
6/1/18		-	-	-
9/1/18		-	-	-
12/1/18		-	-	-
3/1/19		-	-	-
6/1/19		-	-	-
9/1/19	1	7,920.53	1,655.09	9,575.62
12/1/19	2	7,940.33	1,635.30	9,575.63
3/1/20	3	7,960.18	1,615.44	9,575.62

Schedule Y

Quarterly Debt Service Schedule

Date	#	Principal	Interest	Total
6/1/20	4	7,980.08	1,595.55	9,575.63
9/1/20	5	8,000.04	1,575.59	9,575.63
12/1/20	6	8,020.04	1,555.60	9,575.64
3/1/21	7	8,040.09	1,535.54	9,575.63
6/1/21	8	8,060.19	1,515.45	9,575.64
9/1/21	9	8,080.34	1,495.29	9,575.63
12/1/21	10	8,100.54	1,475.10	9,575.64
3/1/22	11	8,120.79	1,454.84	9,575.63
6/1/22	12	8,141.09	1,434.54	9,575.63
9/1/22	13	8,161.44	1,414.18	9,575.62
12/1/22	14	8,181.85	1,393.79	9,575.64
3/1/23	15	8,202.30	1,373.32	9,575.62
6/1/23	16	8,222.81	1,352.83	9,575.64
9/1/23	17	8,243.36	1,332.26	9,575.62
12/1/23	18	8,263.97	1,311.66	9,575.63
3/1/24	19	8,284.63	1,290.99	9,575.62
6/1/24	20	8,305.34	1,270.29	9,575.63
9/1/24	21	8,326.11	1,249.52	9,575.63
12/1/24	22	8,346.92	1,228.71	9,575.63
3/1/25	23	8,367.79	1,207.84	9,575.63
6/1/25	24	8,388.71	1,186.93	9,575.64
9/1/25	25	8,409.68	1,165.94	9,575.62
12/1/25	26	8,430.71	1,144.93	9,575.64
3/1/26	27	8,451.78	1,123.84	9,575.62
6/1/26	28	8,472.91	1,102.72	9,575.63
9/1/26	29	8,494.09	1,081.53	9,575.62
12/1/26	30	8,515.33	1,060.31	9,575.64
3/1/27	31	8,536.62	1,039.01	9,575.63
6/1/27	32	8,557.96	1,017.68	9,575.64
9/1/27	33	8,579.35	996.27	9,575.62
12/1/27	34	8,600.80	974.83	9,575.63
3/1/28	35	8,622.30	953.32	9,575.62
6/1/28	36	8,643.86	931.77	9,575.63
9/1/28	37	8,665.47	910.16	9,575.63
12/1/28	38	8,687.13	888.50	9,575.63
3/1/29	39	8,708.85	866.77	9,575.62
6/1/29	40	8,730.62	845.01	9,575.63
9/1/29	41	8,752.45	823.18	9,575.63
12/1/29	42	8,774.33	801.30	9,575.63
3/1/30	43	8,796.27	779.36	9,575.63
6/1/30	44	8,818.26	757.38	9,575.64
9/1/30	45	8,840.30	735.32	9,575.62
12/1/30	46	8,862.40	713.23	9,575.63
3/1/31	47	8,884.56	691.07	9,575.63
6/1/31	48	8,906.77	668.86	9,575.63
9/1/31	49	8,929.04	646.59	9,575.63
12/1/31	50	8,951.36	624.27	9,575.63
3/1/32	51	8,973.74	601.89	9,575.63

Schedule Y

Quarterly Debt Service Schedule

Date	#	Principal	Interest	Total
6/1/32	52	8,996.17	579.46	9,575.63
9/1/32	53	9,018.66	556.96	9,575.62
12/1/32	54	9,041.21	534.42	9,575.63
3/1/33	55	9,063.81	511.81	9,575.62
6/1/33	56	9,086.47	489.16	9,575.63
9/1/33	57	9,109.19	466.44	9,575.63
12/1/33	58	9,131.96	443.67	9,575.63
3/1/34	59	9,154.79	420.83	9,575.62
6/1/34	60	9,177.68	397.96	9,575.64
9/1/34	61	9,200.62	375.00	9,575.62
12/1/34	62	9,223.62	352.01	9,575.63
3/1/35	63	9,246.68	328.94	9,575.62
6/1/35	64	9,269.80	305.83	9,575.63
9/1/35	65	9,292.98	282.65	9,575.63
12/1/35	66	9,316.21	259.43	9,575.64
3/1/36	67	9,339.50	236.13	9,575.63
6/1/36	68	9,362.85	212.79	9,575.64
9/1/36	69	9,386.25	189.37	9,575.62
12/1/36	70	9,409.72	165.92	9,575.64
3/1/37	71	9,433.24	142.38	9,575.62
6/1/37	72	9,456.83	118.81	9,575.64
9/1/37	73	9,480.47	95.16	9,575.63
12/1/37	74	9,504.17	71.46	9,575.63
3/1/38	75	9,527.93	47.69	9,575.62
6/1/38	76	9,551.72	23.88	9,575.60
		$ 662,039.00	**$ 65,708.85**	**$ 727,747.79**

Summary Statistics:

Average Annual Cost -	**$18,193.69**
Average Life -	**30.925**
Average Interest Rate -	**0.4750%**
Net Interest Cost (NIC)	**0.3209%**
True Interest Cost (TIC)	**0.3102%**
Tax Yield (I.R.C. Section 148)	**0.3102%**
All-in Yield (AIC) *	**0.3102%**

Data for Form 8038:

	Line 19:	Line 20:
(a)	6/1/38	N/A
(b)	1.000%	N/A
(c)	$9,551.72	$662,039.00
(d)	$9,551.72	$662,039.00
(e)	N/A	30.925
(f)	N/A	0.3102%
(g)	N/A	0.3209%

* Assumes no costs to borrower in connection with loan.

SCHEDULE Z

The Series 1998 C Bonds are subject to prepayment of principal in an amount not to exceed $75,600 if Sanitary Associates (or its successors or assigns) or the customers served by Sanitary Associates (hereinafter "SA") are connected to the System. On the first day of the month following the receipt by the District of the first payment of rates and charges from SA and on the first day of each month thereafter, the District shall transfer from the Revenue Fund an amount equal to 30% of the revenues collected the previous month from SA and remit such amount to the Commission. The Commission shall treat such deposits as prepayments of principal and shall on the first day of each March, June, September and December remit such prepayments to the Authority. The principal prepayments shall continue until the Authority has been paid $75,600. The principal prepayments shall be applied against the last maturing principal of the Series 1998 C Bonds and shall be in addition to the debt service payments on the Series 1998 B and Series 1998 C Bonds.

1999 A
11-17-1999

SRF-BPA-1
(November 4,1999)

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 DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
(Local Government)

WITNESSETH:

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 construct, operate and improve a wastewater treatment project and to finance the cost of constructing or acquiring 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 of 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, at 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.

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. 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 resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the 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 Recipient As-Built Plans, 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 agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Local Government agrees that qualified operating personnel properly certified by the State will be employed before the Project is 50% complete and agrees that it will 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 construction of the Project and for two years following the completion 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 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 the Form 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 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 financing of construction, 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") necessary for the construction of the Project and operation of the System, 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, 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 Subsection 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.

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 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. The revenues generated from the operation of the System 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 an amount at least 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 the net or gross revenues from 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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) 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 will 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 be sold, mortgaged, leased or otherwise disposed of 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 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 the Local Government is in compliance with the terms and provisions of the Local Act and this Bond Purchase Agreement and that the Local Government's revenues are adequate to meet its operation and maintenance expenses and debt service 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 for non-construction costs) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding 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 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 West Virginia Municipal Bond Commission (the "Commission") its required interest, principal and reserve fund 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 to the Authority by the 5th day of such calendar month;

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Code, 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 Code, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the

funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project; and

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, 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. 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, 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 Authority 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, as set forth in the Local Act and in compliance with the provisions of Subsection 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 minimum sums set forth in the Local Act, 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 so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Bond Purchase Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, 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 directly charges upon users 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 local governments 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 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 Project, 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 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 Schedule 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 merges and 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) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iii) 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 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 Local Bonds as set forth in (iii) above is not terminated due to such non-funding on any balance on 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 shall not be considered an event of default under the 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.

Jefferson County PSD
[Proper Name of Local Government]

(SEAL)

By: _____
Its: Chairman

Attest:

Date: 11-19-99

_____
Its Secretary

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: _____
Its: Chief

Date: 11-23-99

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director

Attest:

Date: November 17, 1999

_____
Secretary-Treasurer

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

[Form of Monthly Financial Report]
[Name of Local Government]
[Name of Bond Issue]
Fiscal Year - __
Report Month: _____

	ITEM	CURRENT MONTH	YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET DIFFERENCE
1.	Gross Revenues Collected				
2.	Operation and Maintenance Expense				
3.	Other Bond Debt Payments (including Reserve Fund deposits)				
4.	SRF Bond Payments (include Reserve Fund deposits)				
5.	Renewal and Replacement Fund Deposit				
6.	Funds available for capital construction				

Witnesseth my signature this __ day of ____, ____.

[Name of Local Government]

By: _____
Authorized Officer

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 (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19___, effective _____, 19___, and the Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated _____, 19___.

2. The Bonds are being issued for the purposes of _____.

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 and any change orders approved by the Issuer, 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 A attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidder(s) have made required provisions for all insurance and payment and performance

[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".

bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidder(s) 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 form(s) provided to the bidders contain all critical operational components of the Project; (vi) the successful bid(s) include prices for every item on such bid form(s); (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 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]

[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 document 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)) - The Local Government that receives $300,000 or more in a fiscal year must obtain audits in accordance with the applicable Single Audit Act and OMB Circular or any appropriate successor. Financial statement audits are required once all funds have been received by the Local Government.

EXHIBIT F

[Monthly Payment Form]

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

Re: [Name of bond issue]

Dear Ladies and Gentlemen:

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

Sinking Fund:

Interest $____

Principal $____

Total: $____

Reserve Fund: $____

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 Division of Environmental Protection
617 Broad Street
Charleston, WV 25301

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 (i) the authorization of 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 Division 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 in the principal amount of $_____, issued in the form of one bond, registered as to principal and interest to the Authority, with interest payable _____ 1, ____ 1, _____ 1, and _____ 1 of each year, beginning _____ 1, __, at the respective rate or rates and with principal payable in installments on _____ 1, _____ 1, ____1, and ____1 of each year, all as follows:

Year	Installment	Interest Rate

The Local Bonds are issued for the purposes of _____ and 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 _____ (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 that 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 presently existing _____ _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Bond Purchase Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Government has legally and effectively adopted or enacted the Local Act and all other resolutions in connection with the issuance and sale of the Local Bonds. 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 are valid and legally enforceable special obligations of the Local Government, payable from the net or gross revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the net or gross revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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 BONDS

Principal Amount of Bonds	$378,363
Purchase Price of Bonds	$378,363

The Bonds shall bear no interest. Principal of the Bonds is payable quarterly, commencing June 1, 2000, with an administrative fee of 1/2%. Quarterly payments will be made on each March 1, June 1, September 1 and December 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Bond Purchase Agreement, it is the Authority's and DEP's understanding that the Local Government has [other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds] or [provide list of outstanding debt]. (See attached schedule)*

The Local Government shall submit its payments monthly to the West Virginia Municipal Bond Commission with instructions that the West Virginia Municipal Bond Commission will make quarterly payments to the West Virginia Water Development Authority at such address as is given to the Bond 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 Bond Commission. The Local Government shall instruct the Bond 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 Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal only and such Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system.

The Local Government may prepay the 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 Bonds which request must be filed at least 60 days prior to the intended date of issuance.

*Sewer Revenue Bonds, Series 1988 B, dated May 5, 1988, issued in the original aggregate principal amount of $425,767; Sewer Revenue Bonds, Series 1993 A (West Virginia SRF Program), dated November 10, 1993, issued in original aggregate principal amount of $971,000; Sewer Refunding Revenue Bonds, Series 1998 A, dated February 15, 1998, issued in the original aggregate principal amount of $2,430,000; Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089; and Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039.

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2000	-	-	-
6/01/2000	3,154.00	-	3,154.00
9/01/2000	3,154.00	-	3,154.00
12/01/2000	3,154.00	-	3,154.00
3/01/2001	3,153.00	-	3,153.00
6/01/2001	3,153.00	-	3,153.00
9/01/2001	3,153.00	-	3,153.00
12/01/2001	3,153.00	-	3,153.00
3/01/2002	3,153.00	-	3,153.00
6/01/2002	3,153.00	-	3,153.00
9/01/2002	3,153.00	-	3,153.00
12/01/2002	3,153.00	-	3,153.00
3/01/2003	3,153.00	-	3,153.00
6/01/2003	3,153.00	-	3,153.00
9/01/2003	3,153.00	-	3,153.00
12/01/2003	3,153.00	-	3,153.00
3/01/2004	3,153.00	-	3,153.00
6/01/2004	3,153.00	-	3,153.00
9/01/2004	3,153.00	-	3,153.00
12/01/2004	3,153.00	-	3,153.00
3/01/2005	3,153.00	-	3,153.00
6/01/2005	3,153.00	-	3,153.00
9/01/2005	3,153.00	-	3,153.00
12/01/2005	3,153.00	-	3,153.00
3/01/2006	3,153.00	-	3,153.00
6/01/2006	3,153.00	-	3,153.00
9/01/2006	3,153.00	-	3,153.00
12/01/2006	3,153.00	-	3,153.00
3/01/2007	3,153.00	-	3,153.00
6/01/2007	3,153.00	-	3,153.00
9/01/2007	3,153.00	-	3,153.00
12/01/2007	3,153.00	-	3,153.00
3/01/2008	3,153.00	-	3,153.00
6/01/2008	3,153.00	-	3,153.00
9/01/2008	3,153.00	-	3,153.00
12/01/2008	3,153.00	-	3,153.00
3/01/2009	3,153.00	-	3,153.00
6/01/2009	3,153.00	-	3,153.00
9/01/2009	3,153.00	-	3,153.00
12/01/2009	3,153.00	-	3,153.00
3/01/2010	3,153.00	-	3,153.00
6/01/2010	3,153.00	-	3,153.00
9/01/2010	3,153.00	-	3,153.00
12/01/2010	3,153.00	-	3,153.00
3/01/2011	3,153.00	-	3,153.00
6/01/2011	3,153.00	-	3,153.00
9/01/2011	3,153.00	-	3,153.00

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2011	3,153.00	-	3,153.00
3/01/2012	3,153.00	-	3,153.00
6/01/2012	3,153.00	-	3,153.00
9/01/2012	3,153.00	-	3,153.00
12/01/2012	3,153.00	-	3,153.00
3/01/2013	3,153.00	-	3,153.00
6/01/2013	3,153.00	-	3,153.00
9/01/2013	3,153.00	-	3,153.00
12/01/2013	3,153.00	-	3,153.00
3/01/2014	3,153.00	-	3,153.00
6/01/2014	3,153.00	-	3,153.00
9/01/2014	3,153.00	-	3,153.00
12/01/2014	3,153.00	-	3,153.00
3/01/2015	3,153.00	-	3,153.00
6/01/2015	3,153.00	-	3,153.00
9/01/2015	3,153.00	-	3,153.00
12/01/2015	3,153.00	-	3,153.00
3/01/2016	3,153.00	-	3,153.00
6/01/2016	3,153.00	-	3,153.00
9/01/2016	3,153.00	-	3,153.00
12/01/2016	3,153.00	-	3,153.00
3/01/2017	3,153.00	-	3,153.00
6/01/2017	3,153.00	-	3,153.00
9/01/2017	3,153.00	-	3,153.00
12/01/2017	3,153.00	-	3,153.00
3/01/2018	3,153.00	-	3,153.00
6/01/2018	3,153.00	-	3,153.00
9/01/2018	3,153.00	-	3,153.00
12/01/2018	3,153.00	-	3,153.00
3/01/2019	3,153.00	-	3,153.00
6/01/2019	3,153.00	-	3,153.00
9/01/2019	3,153.00	-	3,153.00
12/01/2019	3,153.00	-	3,153.00
3/01/2020	3,153.00	-	3,153.00
6/01/2020	3,153.00	-	3,153.00
9/01/2020	3,153.00	-	3,153.00
12/01/2020	3,153.00	-	3,153.00
3/01/2021	3,153.00	-	3,153.00
6/01/2021	3,153.00	-	3,153.00
9/01/2021	3,153.00	-	3,153.00
12/01/2021	3,153.00	-	3,153.00
3/01/2022	3,153.00	-	3,153.00
6/01/2022	3,153.00	-	3,153.00
9/01/2022	3,153.00	-	3,153.00
12/01/2022	3,153.00	-	3,153.00
3/01/2023	3,153.00	-	3,153.00
6/01/2023	3,153.00	-	3,153.00

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2023	3,153.00	-	3,153.00
12/01/2023	3,153.00	-	3,153.00
3/01/2024	3,153.00	-	3,153.00
6/01/2024	3,153.00	-	3,153.00
9/01/2024	3,153.00	-	3,153.00
12/01/2024	3,153.00	-	3,153.00
3/01/2025	3,153.00	-	3,153.00
6/01/2025	3,153.00	-	3,153.00
9/01/2025	3,153.00	-	3,153.00
12/01/2025	3,153.00	-	3,153.00
3/01/2026	3,153.00	-	3,153.00
6/01/2026	3,153.00	-	3,153.00
9/01/2026	3,153.00	-	3,153.00
12/01/2026	3,153.00	-	3,153.00
3/01/2027	3,153.00	-	3,153.00
6/01/2027	3,153.00	-	3,153.00
9/01/2027	3,153.00	-	3,153.00
12/01/2027	3,153.00	-	3,153.00
3/01/2028	3,153.00	-	3,153.00
6/01/2028	3,153.00	-	3,153.00
9/01/2028	3,153.00	-	3,153.00
12/01/2028	3,153.00	-	3,153.00
3/01/2029	3,153.00	-	3,153.00
6/01/2029	3,153.00	-	3,153.00
9/01/2029	3,153.00	-	3,153.00
12/01/2029	3,153.00	-	3,153.00
3/01/2030	3,153.00	-	3,153.00
Total	**378,363.00**	**-**	**378,363.00** *

*Plus $238.45 one-half percent administrative fee paid quarterly. Total fee paid over the life of the loan is $28,614.

2000 A
6-1-2000

SRF-BPA-1
(4/6/00)

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 DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
(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, at 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 Recipient As-Built Plans, 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 construction of the Project and for two years following the completion 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.

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.

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 the Local Government is in compliance with the terms and provisions of the Local Act and this Bond Purchase Agreement and that the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

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

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

Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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

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

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority 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 Section 4.2 hereof, 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 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.

Jefferson County PSD
[Name of Local Government]

(SEAL)

By: [signature]
Its: Chairman

Attest:

Date: 6/05/00

[signature]
Its Secretary

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: [signature]
Its: Chief

Date: 6-9-00

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: [signature]
Its: Director

Attest:

Date: June 1, 2000

Barbara B Meadows
Secretary-Treasurer

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

[Form of Monthly Financial Report]
[Name of Local Government]
[Name of Bond Issue]
Fiscal Year - __
Report Month: _____

ITEM	CURRENT MONTH	TOTAL YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET YEAR MINUS YEAR TO DATE
1. Gross Revenues Collected				
2. Operating Expenses				
3. Other Bond Debt Payments (including Reserve Account Deposits)				
4. SRF Bond Payments (include Reserve Account Deposits)				
5. Renewal and Replacement Fund Deposit				

Witnesseth my signature this ___ day of _____, _____.

[Name of Local Government]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

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 (1200/12). This is the incremental amount for the Budget Year to Date column.

2. In Item 2, provide the amount of actual operating expenses for the current month and the total amount year to date in the respective columns. The SRF 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.

3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Local Government other than this Bond.

4. In Item 4, provide the principal, interest and reserve account payments for this Bond. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.

5. In Item 5, 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 Items 3 and 4. If gross revenues are $12,000, the Renewal and Replacement Fund should have an amount of $300 (2.5% of $12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

6. The Local Government must complete the Monthly Financial Report and forward it to the DEP by the 10th day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. DEP will notify the Local Government when the Monthly Financial Report no longer needs to be filed.

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 Division of Environmental Protection ("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 DEP and any change orders approved by the Issuer, 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 A 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 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)) - The Local Government that receives $300,000 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.

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 Division of Environmental Protection
617 Broad Street
Charleston, WV 25301

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 Division 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 presently 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 and 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	$ 1,154,889
Purchase Price of Local Bonds	$ 1,154,889

The Local Bonds shall bear no interest. Commencing March 1, 2002, principal of the Local Bonds is payable quarterly, with an administrative fee of ½%. 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:

See attached.

Outstanding Debt

1. Sewer Revenue Bonds, Series 1988 B, dated May 5, 1988, issued in the original aggregate principal amount of $425,767;

2. Sewer Revenue Bonds, Series 1993 A (West Virginia SRF Program), dated November 10, 1993, issued in the original aggregate principal amount of $971,000 ;

3. Sewer Refunding Revenue Bonds, Series 1998 A, dated February 15, 1998, issued in the original aggregate principal amount of $2,430,000;

4. Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089;

5. Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039; and

6. Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363.

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	-	-	-
3/01/2002	9,625.00	-	9,625.00
6/01/2002	9,625.00	-	9,625.00
9/01/2002	9,625.00	-	9,625.00
12/01/2002	9,625.00	-	9,625.00
3/01/2003	9,625.00	-	9,625.00
6/01/2003	9,625.00	-	9,625.00
9/01/2003	9,625.00	-	9,625.00
12/01/2003	9,625.00	-	9,625.00
3/01/2004	9,625.00	-	9,625.00
6/01/2004	9,624.00	-	9,624.00
9/01/2004	9,624.00	-	9,624.00
12/01/2004	9,624.00	-	9,624.00
3/01/2005	9,624.00	-	9,624.00
6/01/2005	9,624.00	-	9,624.00
9/01/2005	9,624.00	-	9,624.00
12/01/2005	9,624.00	-	9,624.00
3/01/2006	9,624.00	-	9,624.00
6/01/2006	9,624.00	-	9,624.00
9/01/2006	9,624.00	-	9,624.00
12/01/2006	9,624.00	-	9,624.00
3/01/2007	9,624.00	-	9,624.00
6/01/2007	9,624.00	-	9,624.00
9/01/2007	9,624.00	-	9,624.00
12/01/2007	9,624.00	-	9,624.00
3/01/2008	9,624.00	-	9,624.00
6/01/2008	9,624.00	-	9,624.00
9/01/2008	9,624.00	-	9,624.00
12/01/2008	9,624.00	-	9,624.00
3/01/2009	9,624.00	-	9,624.00
6/01/2009	9,624.00	-	9,624.00
9/01/2009	9,624.00	-	9,624.00
12/01/2009	9,624.00	-	9,624.00
3/01/2010	9,624.00	-	9,624.00
6/01/2010	9,624.00	-	9,624.00
9/01/2010	9,624.00	-	9,624.00
12/01/2010	9,624.00	-	9,624.00
3/01/2011	9,624.00	-	9,624.00
6/01/2011	9,624.00	-	9,624.00
9/01/2011	9,624.00	-	9,624.00
12/01/2011	9,624.00	-	9,624.00

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2012	9,624.00	-	9,624.00
6/01/2012	9,624.00	-	9,624.00
9/01/2012	9,624.00	-	9,624.00
12/01/2012	9,624.00	-	9,624.00
3/01/2013	9,624.00	-	9,624.00
6/01/2013	9,624.00	-	9,624.00
9/01/2013	9,624.00	-	9,624.00
12/01/2013	9,624.00	-	9,624.00
3/01/2014	9,624.00	-	9,624.00
6/01/2014	9,624.00	-	9,624.00
9/01/2014	9,624.00	-	9,624.00
12/01/2014	9,624.00	-	9,624.00
3/01/2015	9,624.00	-	9,624.00
6/01/2015	9,624.00	-	9,624.00
9/01/2015	9,624.00	-	9,624.00
12/01/2015	9,624.00	-	9,624.00
3/01/2016	9,624.00	-	9,624.00
6/01/2016	9,624.00	-	9,624.00
9/01/2016	9,624.00	-	9,624.00
12/01/2016	9,624.00	-	9,624.00
3/01/2017	9,624.00	-	9,624.00
6/01/2017	9,624.00	-	9,624.00
9/01/2017	9,624.00	-	9,624.00
12/01/2017	9,624.00	-	9,624.00
3/01/2018	9,624.00	-	9,624.00
6/01/2018	9,624.00	-	9,624.00
9/01/2018	9,624.00	-	9,624.00
12/01/2018	9,624.00	-	9,624.00
3/01/2019	9,624.00	-	9,624.00
6/01/2019	9,624.00	-	9,624.00
9/01/2019	9,624.00	-	9,624.00
12/01/2019	9,624.00	-	9,624.00
3/01/2020	9,624.00	-	9,624.00
6/01/2020	9,624.00	-	9,624.00
9/01/2020	9,624.00	-	9,624.00
12/01/2020	9,624.00	-	9,624.00
3/01/2021	9,624.00	-	9,624.00
6/01/2021	9,624.00	-	9,624.00
9/01/2021	9,624.00	-	9,624.00
12/01/2021	9,624.00	-	9,624.00
3/01/2022	9,624.00	-	9,624.00
6/01/2022	9,624.00	-	9,624.00
9/01/2022	9,624.00	-	9,624.00
12/01/2022	9,624.00	-	9,624.00
3/01/2023	9,624.00	-	9,624.00
6/01/2023	9,624.00	-	9,624.00

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2023	9,624.00	-	9,624.00
12/01/2023	9,624.00	-	9,624.00
3/01/2024	9,624.00	-	9,624.00
6/01/2024	9,624.00	-	9,624.00
9/01/2024	9,624.00	-	9,624.00
12/01/2024	9,624.00	-	9,624.00
3/01/2025	9,624.00	-	9,624.00
6/01/2025	9,624.00	-	9,624.00
9/01/2025	9,624.00	-	9,624.00
12/01/2025	9,624.00	-	9,624.00
3/01/2026	9,624.00	-	9,624.00
6/01/2026	9,624.00	-	9,624.00
9/01/2026	9,624.00	-	9,624.00
12/01/2026	9,624.00	-	9,624.00
3/01/2027	9,624.00	-	9,624.00
6/01/2027	9,624.00	-	9,624.00
9/01/2027	9,624.00	-	9,624.00
12/01/2027	9,624.00	-	9,624.00
3/01/2028	9,624.00	-	9,624.00
6/01/2028	9,624.00	-	9,624.00
9/01/2028	9,624.00	-	9,624.00
12/01/2028	9,624.00	-	9,624.00
3/01/2029	9,624.00	-	9,624.00
6/01/2029	9,624.00	-	9,624.00
9/01/2029	9,624.00	-	9,624.00
12/01/2029	9,624.00	-	9,624.00
3/01/2030	9,624.00	-	9,624.00
6/01/2030	9,624.00	-	9,624.00
9/01/2030	9,624.00	-	9,624.00
12/01/2030	9,624.00	-	9,624.00
3/01/2031	9,624.00	-	9,624.00
6/01/2031	9,624.00	-	9,624.00
9/01/2031	9,624.00	-	9,624.00
12/01/2031	9,624.00	-	9,624.00
Total	1,154,889.00	-	1,154,889.00 *

*Plus $727.82 one-half percent administrative fee paid quarterly. Total fee over the life of the loan is $87,338.40.

J008A
6-2-2008

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").

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
(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 Recipient As-Built Plans, 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 requested by the Authority;

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

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

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in Acontingency@ 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.

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairperson
Date: June 2, 2008

Attest:

_____
Its: Secretary

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

By: _____
Its: Director
Date: June 4, 2008

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: June 3, 2008

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

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 ASchedule 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 Amy firm has ascertained that@.

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: AIn 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.

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 ADEP@), 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 ASchedule 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 $2,005,000
Purchase Price of Local Bonds $2,005,000

The Local Bonds shall bear no interest. Commencing March 1, 2009, principal of the Local Bonds is payable quarterly, with an administrative fee of 2%. 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) Jefferson County Public Service District Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1988, issued in the original aggregate principal amount of $425,767;

(ii) Jefferson County Public Service District Sewer Revenue Bonds, Series 1993 A (West Virginia SRF Program), dated November 10, 1993, issued in the original aggregate principal amount of $971,000;

(iii) Jefferson County Public Service District Sewer Refunding Revenue Bonds, Series 1998 A, dated February 15, 1998, issued in the original aggregate principal amount of $2,430,000;

(iv) Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089;

(v) Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039;

(vi) Jefferson County Public Service District Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363;

(vii) Jefferson County Public Service District Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $1,154,889.22; and

(viii) Jefferson County Public Service District Sewer Revenue Bonds, Series 2003 A, dated June 26, 2003, issued in the original aggregate principal amount of $1,445,000.

$2,005,000
Jefferson County Public Service District
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	16,709.00	-	16,709.00
06/01/2009	16,709.00	-	16,709.00
09/01/2009	16,709.00	-	16,709.00
12/01/2009	16,709.00	-	16,709.00
03/01/2010	16,709.00	-	16,709.00
06/01/2010	16,709.00	-	16,709.00
09/01/2010	16,709.00	-	16,709.00
12/01/2010	16,709.00	-	16,709.00
03/01/2011	16,709.00	-	16,709.00
06/01/2011	16,709.00	-	16,709.00
09/01/2011	16,709.00	-	16,709.00
12/01/2011	16,709.00	-	16,709.00
03/01/2012	16,709.00	-	16,709.00
06/01/2012	16,709.00	-	16,709.00
09/01/2012	16,709.00	-	16,709.00
12/01/2012	16,709.00	-	16,709.00
03/01/2013	16,709.00	-	16,709.00
06/01/2013	16,709.00	-	16,709.00
09/01/2013	16,709.00	-	16,709.00
12/01/2013	16,709.00	-	16,709.00
03/01/2014	16,709.00	-	16,709.00
06/01/2014	16,709.00	-	16,709.00
09/01/2014	16,709.00	-	16,709.00
12/01/2014	16,709.00	-	16,709.00
03/01/2015	16,709.00	-	16,709.00
06/01/2015	16,709.00	-	16,709.00
09/01/2015	16,709.00	-	16,709.00
12/01/2015	16,709.00	-	16,709.00
03/01/2016	16,709.00	-	16,709.00
06/01/2016	16,709.00	-	16,709.00
09/01/2016	16,709.00	-	16,709.00
12/01/2016	16,709.00	-	16,709.00
03/01/2017	16,709.00	-	16,709.00
06/01/2017	16,709.00	-	16,709.00
09/01/2017	16,709.00	-	16,709.00
12/01/2017	16,709.00	-	16,709.00
03/01/2018	16,709.00	-	16,709.00
06/01/2018	16,709.00	-	16,709.00
09/01/2018	16,709.00	-	16,709.00
12/01/2018	16,709.00	-	16,709.00
03/01/2019	16,708.00	-	16,708.00
06/01/2019	16,708.00	-	16,708.00

$2,005,000
Jefferson County Public Service District
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2019	16,708.00	-	16,708.00
12/01/2019	16,708.00	-	16,708.00
03/01/2020	16,708.00	-	16,708.00
06/01/2020	16,708.00	-	16,708.00
09/01/2020	16,708.00	-	16,708.00
12/01/2020	16,708.00	-	16,708.00
03/01/2021	16,708.00	-	16,708.00
06/01/2021	16,708.00	-	16,708.00
09/01/2021	16,708.00	-	16,708.00
12/01/2021	16,708.00	-	16,708.00
03/01/2022	16,708.00	-	16,708.00
06/01/2022	16,708.00	-	16,708.00
09/01/2022	16,708.00	-	16,708.00
12/01/2022	16,708.00	-	16,708.00
03/01/2023	16,708.00	-	16,708.00
06/01/2023	16,708.00	-	16,708.00
09/01/2023	16,708.00	-	16,708.00
12/01/2023	16,708.00	-	16,708.00
03/01/2024	16,708.00	-	16,708.00
06/01/2024	16,708.00	-	16,708.00
09/01/2024	16,708.00	-	16,708.00
12/01/2024	16,708.00	-	16,708.00
03/01/2025	16,708.00	-	16,708.00
06/01/2025	16,708.00	-	16,708.00
09/01/2025	16,708.00	-	16,708.00
12/01/2025	16,708.00	-	16,708.00
03/01/2026	16,708.00	-	16,708.00
06/01/2026	16,708.00	-	16,708.00
09/01/2026	16,708.00	-	16,708.00
12/01/2026	16,708.00	-	16,708.00
03/01/2027	16,708.00	-	16,708.00
06/01/2027	16,708.00	-	16,708.00
09/01/2027	16,708.00	-	16,708.00
12/01/2027	16,708.00	-	16,708.00
03/01/2028	16,708.00	-	16,708.00
06/01/2028	16,708.00	-	16,708.00
09/01/2028	16,708.00	-	16,708.00
12/01/2028	16,708.00	-	16,708.00
03/01/2029	16,708.00	-	16,708.00
06/01/2029	16,708.00	-	16,708.00
09/01/2029	16,708.00	-	16,708.00
12/01/2029	16,708.00	-	16,708.00
03/01/2030	16,708.00	-	16,708.00
06/01/2030	16,708.00	-	16,708.00

$2,005,000
Jefferson County Public Service District
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2030	16,708.00	-	16,708.00
12/01/2030	16,708.00	-	16,708.00
03/01/2031	16,708.00	-	16,708.00
06/01/2031	16,708.00	-	16,708.00
09/01/2031	16,708.00	-	16,708.00
12/01/2031	16,708.00	-	16,708.00
03/01/2032	16,708.00	-	16,708.00
06/01/2032	16,708.00	-	16,708.00
09/01/2032	16,708.00	-	16,708.00
12/01/2032	16,708.00	-	16,708.00
03/01/2033	16,708.00	-	16,708.00
06/01/2033	16,708.00	-	16,708.00
09/01/2033	16,708.00	-	16,708.00
12/01/2033	16,708.00	-	16,708.00
03/01/2034	16,708.00	-	16,708.00
06/01/2034	16,708.00	-	16,708.00
09/01/2034	16,708.00	-	16,708.00
12/01/2034	16,708.00	-	16,708.00
03/01/2035	16,708.00	-	16,708.00
06/01/2035	16,708.00	-	16,708.00
09/01/2035	16,708.00	-	16,708.00
12/01/2035	16,708.00	-	16,708.00
03/01/2036	16,708.00	-	16,708.00
06/01/2036	16,708.00	-	16,708.00
09/01/2036	16,708.00	-	16,708.00
12/01/2036	16,708.00	-	16,708.00
03/01/2037	16,708.00	-	16,708.00
06/01/2037	16,708.00	-	16,708.00
09/01/2037	16,708.00	-	16,708.00
12/01/2037	16,708.00	-	16,708.00
03/01/2038	16,708.00	-	16,708.00
06/01/2038	16,708.00	-	16,708.00
09/01/2038	16,708.00	-	16,708.00
12/01/2038	16,708.00	-	16,708.00
Total	**$2,005,000.00**	-	**$2,005,000.00** *

***Plus $1,263.56 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $151,627.20.**

2014 A
4.17.2014

DWTRF
(07/13)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "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 under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT (2012W-1331/13DWTRFA004)
(Local Entity)

WITNESSETH:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH 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 §66.468 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the design, acquisition or construction of drinking

water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

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

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a drinking water 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 Entity;

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

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

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Entity, BPH 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 entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

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

1.3 "Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

1.4 "Loan" means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

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

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

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

1.8 "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.

1.9 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.10 "Project" means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity 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.

1.11 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.12 "System" means the drinking water system owned by the Local Entity, 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.

1.13 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 design, 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 Entity by the Consulting Engineers, the BPH 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 Loan Agreement and the Local Act, the Local Entity 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 Entity 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 Entity, 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 BPH and the Authority.

2.4 The Local Entity agrees that the Authority and BPH 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 Entity further agrees that the Authority and BPH 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 BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity 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 Entity shall permit the Authority and BPH, 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 Entity shall submit to the Authority and BPH 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 Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity 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 Entity 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 Entity 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 BPH and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Entity, the Local Entity or (at the option of the Local Entity) 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 Entity, 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 Entity on or before the Date of Loan 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 Entity 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 Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State. If the Local Entity is a newly established water system, the Local Entity must 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 Loan Agreement. The newly

established Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all applicable local ordinances issued by the Authority, BPH 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 Entity, commencing on the date contracts are executed for the acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit A and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and BPH. Exhibit A reports will continue to be submitted to the Authority and BPH for two years after the loan closing date. After the two-year period, it or an equivalent tracking form should continue to be completed and reviewed monthly for the utility's management to monitor its financial debt service coverage for the life of the loan. This form would be on file with the utility records according to the utility's records management policy.

2.13 The Local Entity shall serve the additional customers at the location(s) as set forth in Schedule X. The Local Entity 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 Local Entity shall certify to the Authority the number of customers added to the System.

2.14 The Local Entity shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the PSC.

ARTICLE III

Conditions to Loan; *Issuance of Local Bonds*

3.1 The agreement of the Authority and BPH to make the Loan is subject to the Local Entity's fulfillment, to the satisfaction of the Authority and BPH, 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 Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended;

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

(c) The Local Entity 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 Entity 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 Local Entity 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 BPH shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit B;

(e) The Local Entity 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 BPH shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Entity 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 BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

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

(h) The Local Entity 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 BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, 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 BPH shall have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, to such effect;

(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 BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants; and

(k) The Local Entity shall have obtained 100% of the titles, easements and rights-of-way, or shall have received rights-of-entry for the same and the Authority and BPH shall receive an opinion of counsel to the Local Entity, satisfactory to the Authority and BPH, to such effect.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF 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 make the Loan to the Local Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity 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 Local Entity 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, BPH and the Local Entity. 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.

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity 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

execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH or such later date as is agreed to in writing by the BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the special requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

3.7 The Local Entity shall comply with the following conditions:

(a) The Local Entity shall develop and implement an asset management plan in accordance with BPH guidelines and approved by BPH.

(b) The Local Entity shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying.

(c) The Local Entity shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

(d) The Local Entity shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by BPH, the Local Entity shall provide certifications as to compliance.

(e) The Local Entity shall comply with all requests for data related to the use of the funds provided under this agreement.

(f) The Local Entity shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this Agreement and (2) interview any officer or employee of the Local Entity.

(g) The Local Entity must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Agreement.

(h) The Local Entity shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(i) The Local Entity shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code. The Local Entity must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

(j) Pursuant to 40 CFR, Section 33.301, the Local Entity agrees to make Disadvantage Business Enterprise (DBE) good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Entity shall provide BPH with DBE participation reports quarterly.

(k) The Local Entity shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Entity shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and Local Entities, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

ARTICLE IV

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

4.1 The Local Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Entity 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 Entity 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, as applicable, 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 Entity will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the DWTRF Regulations, 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 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 the 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 Entity 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;

(vi) That the Local Entity 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 Entity 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 Entity 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 Entity will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, 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. If the Local Entity receives $500,000 or more (in any combination of federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit 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 Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity 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 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 Entity 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 funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the BPH, 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 Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and 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 Entity 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 Entity 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. The Local Entity shall make monthly payments to the Commission by electronic transfer;

(xviii) That, if required by the Authority and BPH and, 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 Entity will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Entity 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 BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and BPH 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 Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

(xxi) That the Local Entity shall submit all proposed change orders to the BPH for written approval. The Local Entity shall obtain the written approval of the BPH 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 Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Entity 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 F.

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

4.3 At least two and one-half percent (2½%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity 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 Entity, the BPH 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 DWTRF 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 Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

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

4.6 The obligation of the Authority to make any loans 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 make the Loan.

ARTICLE V

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

5.1 The Local Entity hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Entity 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 Local Entity 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 Local Entity defaults in any 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 Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, 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 Entity

6.1 The Local Entity hereby acknowledges to the Authority and BPH its understanding of the provisions of the Act, vesting in the Authority and BPH certain powers, rights and privileges with respect to drinking water projects in the event of default by local entities in the terms and covenants of this Loan Agreement, and the Local Entity hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Entity 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 Loan Agreement.

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH 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 BPH shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity 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 DWTRF Regulations or this Loan Agreement.

6.3 The Local Entity hereby agrees to repay on or prior to the Date of Loan 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 Loan.

6.4 The Local Entity hereby covenants that, if required by the Authority, 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 Entity fails to make any such rebates as required, then the Local Entity 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 may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Entity to be monitored or cause the rebate calculations for the Local Entity to be prepared, in either case at the expense of the Local Entity.

6.6 The Local Entity hereby agrees to give the Authority 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 Entity hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule setting forth the actual costs of the Project and sources of funds.

ARTICLE VII

Miscellaneous

7.1 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 Local Entity supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 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.

7.3 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.

7.4 No waiver by any 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.

7.5 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.

7.6 By execution and delivery of this Loan Agreement, *notwithstanding* the date hereof, the Local Entity 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 Loan Agreement shall terminate upon the earlier of:

(i) *written notice of termination* to the Local Entity from either the Authority or BPH;

(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 the BPH if the Local Entity has failed to deliver the Local Bonds to the Authority;

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

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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.

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: April 17, 2014

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: April 17, 2014

Attest:

_____
Its: Authorized Officer

EXHIBIT A

Monthly Financial Report

Name of Local Entity: _____

Funding Agency Project No.: _____

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:				0
2. Operating Expenses: (Including Admin Fees)				0
3. Renewal and Replacement Fund Deposits:				0
	Adequate R&R Deposit	Adequate R&R Deposit	Adequate R&R Deposit	
4. *Net Revenue: (Equation: 1-2-3)	0	0	0	0
5. Bond Payments: (Principal and Interest)				
Type of Issue				
Clean water SRF:				0
Drinking water SRF:				0
Infrastructure Fund:				0
Water Dev. Authority:				0
Rural Utilities Service:				0
Economic Development:				0
Other: (Identify Below)				0
*Bond Payment Total:	0	0	0	0
6.				
*Calculated Debt Coverage: (Equation: 4/6 * 100%)	#DIV/0!	#DIV/0!	#DIV/0!	
7.	#DIV/0!	#DIV/0!	#DIV/0!	

_____
Name of Person Completing Form / Date

_____
Address

_____
Telephone Number

Please enter financial data in Grey cells. (If applicable)
* Self Calculating Formula

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT (Exhibit A)

General Definitions

- Total Year to Date – Refers to the amount collected, spent, or deposited since the start of the current fiscal year through the current month.
- Budget Year to Date – Refers to the amount budgeted since the start of the fiscal year through current month.
- You will need a copy of the current fiscal year budget adopted by the Local Entity to complete the "Budget Year to Date" columns in Items 1 and 2.

Item 1 — In Item 1, provide the amount of actual **Gross Revenues** for the current month, and the total year to date amount and budget year-to-date amount in the respective columns.

Item 2 — Provide the amount of actual **Operating Expenses** for the current month, and the total year to date amount and budget year-to-date amount in the respective columns. All administrative fees should be included in the Operating Expenses.

Item 3 — 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 5. For example, if Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 5 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 Entity. An error message will appear if inadequate funds are deposited.

Item 4 — This number is automatically calculated.

Item 5 — Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Entity according to the source of funding. Fill out the current month, total year to date, and the budget year to date columns for each bond. 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, a loan from the Water Development Authority, etc.

Item 6 — This is the total bond payment that is automatically calculated by adding up all the payments in Item 5.

Item 7 — This is the percentage of debt coverage that is automatically calculated from the data you entered above. The bond requirement is that at least 115% debt coverage is maintained. An error message will appear if there is inadequate coverage.

The Local Entity 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

EXHIBIT B

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 used herein and not defined herein shall have the same meaning 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 Bureau for Public Health (the "BPH"), 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

[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".

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 Funding Assistance 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; (xi) the Project was designed and will be constructed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xii) 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 _____, _____.

[SEAL]

_____

By: _____

_____

West Virginia License No. _____

[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).

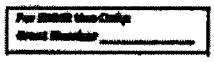
EXHIBIT C

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Entity agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. EXHIBIT C-1 – The Local Entity shall complete the form attached as Exhibit C-1 and submit to the BPH prior to the Closing.

EXHIBIT C-1



West Virginia Department of Health and Human Resources
Subrecipient (Grantee) Information Form
Please see the instructions for Completion of the Subrecipient (Grantee) Information Form

☐ State Government	☐ Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)
☐ County Government	☐ Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)
☐ City or Township Government	☐ Private Institution of Higher Education
☐ Special District Government	☐ Individual
☐ Regional Organization	☐ For-Profit Business (Other than Small Business)
☐ U.S. Territory or Possession	☐ Small Business
☐ Independent School District	☐ Hispanic-serving Institution
☐ Public/State Controlled Institution of Higher Learning	☐ Historically Black Colleges and Universities (HBCUs)
☐ Indian/Native American Tribal Government (Federally Recognized)	☐ Tribally Controlled Colleges and Universities (TCCUs)
☐ Indian/Native American Tribal Government (Other than Federally Recognized)	☐ Alaska Native and Native Hawaiian Serving Institutions
☐ Indian/Native American Tribally Designated Organization	☐ Non-domestic (non-US) entity
☐ Public/Indian Housing Authority	☐ Other (Please explain) _____

NOTE: This form must be signed by an individual no lower than the Executive Director or Chief Financial Officer.

Printed Name: _____ Title _____

Signature _____ Date _____ Phone # _____

DHHR Finance A-2009

EXHIBIT D

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission

on behalf of _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest$_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT E

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

West Virginia Bureau for Public Health
350 Capitol Street, Room 313
Charleston, WV 25301-3713

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, 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 principal and interest 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 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 Local Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity 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 Local Entity and is a valid and binding special obligation of the Local Entity, enforceable in accordance with the terms thereof.

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

3. The Local Entity 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 Entity and constitute valid and binding obligations of the Local Entity, enforceable against the Local Entity 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 Local Entity to the Authority and are valid, legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

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 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

A. Series A Bonds

Principal Amount of Local Bonds	$985,350
Purchase Price of Local Bonds	$985,350

The Local Bonds shall bear interest at a rate of 0.5% per annum. Commencing December 1, 2015, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Entity 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 Entity 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 Entity 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 and interest, if any, and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity 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 Entity: None.

Number of New Customers To Be Served: -0-
Location: Cavaland and New Haven areas of Jefferson County, West Virginia.

B. Series B Bonds (DWTRF Forgiveness)

Principal Amount of Local Bonds	$1,073,246
Purchase Price of Local Bonds	$1,073,246

The Series B Bonds shall bear no interest. The Authority at the direction of the BPH shall forgive the principal amount of the Series B Bonds. The principal amounts advanced under

the Series B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series B Bonds shall be deemed no longer outstanding after the last advance is forgiven.

The Local Bonds are fully registered in the name of the Authority.

The Local Entity shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Local Bonds.

The Local Entity shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

SCHEDULE Y
DEBT SERVICE SCHEDULE

	Net Debt Service							
	Jefferson County PSD							
	DWTRP							
	$985,350							
	0.5% Interest Rate							
	0.5% Administrative Fee							
	30 Years							
	Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
	12/1/2015	7,616	0.500%	1,231.69	8,847.69	636.36	884.81	10,368.86
	3/1/2016	7,625	0.500%	1,222.17	8,847.17	636.36	884.81	10,368.34
	6/1/2016	7,635	0.500%	1,212.64	8,847.64	636.36	884.81	10,368.81
	9/1/2016	7,645	0.500%	1,203.09	8,848.09	636.36	884.81	10,369.26
	12/1/2016	7,654	0.500%	1,193.54	8,847.54	636.36	884.81	10,368.71
	3/1/2017	7,664	0.500%	1,183.97	8,847.97	636.36	884.81	10,369.14
	6/1/2017	7,673	0.500%	1,174.39	8,847.39	636.36	884.81	10,368.56
	9/1/2017	7,683	0.500%	1,164.80	8,847.80	636.36	884.81	10,368.97
	12/1/2017	7,692	0.500%	1,155.19	8,847.19	636.36	884.81	10,368.36
	3/1/2018	7,702	0.500%	1,145.58	8,847.58	636.36	884.81	10,368.75
	6/1/2018	7,712	0.500%	1,135.95	8,847.95	636.36	884.81	10,369.12
	9/1/2018	7,721	0.500%	1,126.31	8,847.31	636.36	884.81	10,368.48
	12/1/2018	7,731	0.500%	1,116.66	8,847.66	636.36	884.81	10,368.83
	3/1/2019	7,741	0.500%	1,107.00	8,848.00	636.36	884.81	10,369.17
	6/1/2019	7,750	0.500%	1,097.32	8,847.32	636.36	884.81	10,368.49
	9/1/2019	7,760	0.500%	1,087.63	8,847.63	636.36	884.81	10,368.80
	12/1/2019	7,770	0.500%	1,077.93	8,847.93	636.36	884.81	10,369.10
	3/1/2020	7,779	0.500%	1,068.22	8,847.22	636.36	884.80	10,368.38
	6/1/2020	7,789	0.500%	1,058.50	8,847.50	636.36	884.80	10,368.66
	9/1/2020	7,799	0.500%	1,048.76	8,847.76	636.36	884.80	10,368.92
	12/1/2020	7,809	0.500%	1,039.01	8,848.01	636.36	884.80	10,369.17
	3/1/2021	7,818	0.500%	1,029.25	8,847.25	636.36	884.80	10,368.41
	6/1/2021	7,828	0.500%	1,019.48	8,847.48	636.36	884.80	10,368.64
	9/1/2021	7,838	0.500%	1,009.69	8,847.69	636.36	884.80	10,368.85
	12/1/2021	7,848	0.500%	999.90	8,847.90	636.36	884.80	10,369.06
	3/1/2022	7,858	0.500%	990.09	8,848.09	636.36	884.80	10,369.25
	6/1/2022	7,867	0.500%	980.26	8,847.26	636.36	884.80	10,368.42
	9/1/2022	7,877	0.500%	970.43	8,847.43	636.36	884.80	10,368.59
	12/1/2022	7,887	0.500%	960.58	8,847.58	636.36	884.80	10,368.74
	3/1/2023	7,897	0.500%	950.72	8,847.72	636.36	884.80	10,368.88
	6/1/2023	7,907	0.500%	940.85	8,847.85	636.36	884.80	10,369.01
	9/1/2023	7,917	0.500%	930.97	8,847.97	636.36	884.80	10,369.13
	12/1/2023	7,927	0.500%	921.07	8,848.07	636.36	884.80	10,369.23
	3/1/2024	7,936	0.500%	911.16	8,847.16	636.36	884.80	10,368.32
	6/1/2024	7,946	0.500%	901.24	8,847.24	636.36	884.80	10,368.40
	9/1/2024	7,956	0.500%	891.31	8,847.31	636.36	884.80	10,368.47
	12/1/2024	7,966	0.500%	881.37	8,847.37	636.36	884.80	10,368.53
	3/1/2025	7,976	0.500%	871.41	8,847.41	636.36	884.80	10,368.57
	6/1/2025	7,986	0.500%	861.44	8,847.44	636.36	884.80	10,368.60
	9/1/2025	7,996	0.500%	851.46	8,847.46	636.36	884.80	10,368.62
	12/1/2025	8,006	0.500%	841.46	8,847.46	636.36	-	9,483.82
	3/1/2026	8,016	0.500%	831.45	8,847.45	636.36	-	9,483.81
	6/1/2026	8,026	0.500%	821.43	8,847.43	636.36	-	9,483.79
	9/1/2026	8,036	0.500%	811.40	8,847.40	636.36	-	9,483.76
	12/1/2026	8,046	0.500%	801.36	8,847.36	636.36	-	9,483.72
	3/1/2027	8,056	0.500%	791.30	8,847.30	636.36	-	9,483.66
Mar 24, 2014 2:15 pm Prepared by Piper Jaffray & Co.								(WDA:LOANS-JEFF114) 2

Net Debt Service
Jefferson County PSD
DWTRF
$985,350
0.5% Interest Rate
0.5% Administrative Fee
30 Years

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2027	8,066	0.500%	781.23	8,847.23	636.36	-	9,483.59
9/1/2027	8,076	0.500%	771.15	8,847.15	636.36	-	9,483.51
12/1/2027	8,087	0.500%	761.05	8,848.05	636.36	-	9,484.41
3/1/2028	8,097	0.500%	750.94	8,847.94	636.36	-	9,484.30
6/1/2028	8,107	0.500%	740.82	8,847.82	636.36	-	9,484.18
9/1/2028	8,117	0.500%	730.69	8,847.69	636.36	-	9,484.05
12/1/2028	8,127	0.500%	720.54	8,847.54	636.36	-	9,483.90
3/1/2029	8,137	0.500%	710.38	8,847.38	636.36	-	9,483.74
6/1/2029	8,147	0.500%	700.21	8,847.21	636.36	-	9,483.57
9/1/2029	8,158	0.500%	690.03	8,848.03	636.36	-	9,484.39
12/1/2029	8,168	0.500%	679.83	8,847.83	636.36	-	9,484.19
3/1/2030	8,178	0.500%	669.62	8,847.62	636.36	-	9,483.98
6/1/2030	8,188	0.500%	659.40	8,847.40	636.36	-	9,483.76
9/1/2030	8,198	0.500%	649.16	8,847.16	636.36	-	9,483.52
12/1/2030	8,209	0.500%	638.92	8,847.92	636.36	-	9,484.28
3/1/2031	8,219	0.500%	628.65	8,847.65	636.36	-	9,484.01
6/1/2031	8,229	0.500%	618.38	8,847.38	636.36	-	9,483.74
9/1/2031	8,239	0.500%	608.09	8,847.09	636.36	-	9,483.45
12/1/2031	8,250	0.500%	597.80	8,847.80	636.36	-	9,484.16
3/1/2032	8,260	0.500%	587.48	8,847.48	636.36	-	9,483.84
6/1/2032	8,270	0.500%	577.16	8,847.16	636.36	-	9,483.52
9/1/2032	8,281	0.500%	566.82	8,847.82	636.36	-	9,484.18
12/1/2032	8,291	0.500%	556.47	8,847.47	636.36	-	9,483.83
3/1/2033	8,301	0.500%	546.11	8,847.11	636.36	-	9,483.47
6/1/2033	8,312	0.500%	535.73	8,847.73	636.36	-	9,484.09
9/1/2033	8,322	0.500%	525.34	8,847.34	636.36	-	9,483.70
12/1/2033	8,333	0.500%	514.94	8,847.94	636.36	-	9,484.30
3/1/2034	8,343	0.500%	504.52	8,847.52	636.36	-	9,483.88
6/1/2034	8,354	0.500%	494.09	8,848.09	636.36	-	9,484.45
9/1/2034	8,364	0.500%	483.65	8,847.65	636.36	-	9,484.01
12/1/2034	8,374	0.500%	473.19	8,847.19	636.36	-	9,483.55
3/1/2035	8,385	0.500%	462.73	8,847.73	636.36	-	9,484.09
6/1/2035	8,395	0.500%	452.25	8,847.25	636.36	-	9,483.61
9/1/2035	8,406	0.500%	441.75	8,847.75	636.36	-	9,484.11
12/1/2035	8,416	0.500%	431.24	8,847.24	636.36	-	9,483.60
3/1/2036	8,427	0.500%	420.72	8,847.72	636.36	-	9,484.08
6/1/2036	8,437	0.500%	410.19	8,847.19	636.36	-	9,483.55
9/1/2036	8,448	0.500%	399.64	8,847.64	636.36	-	9,484.00
12/1/2036	8,459	0.500%	389.08	8,848.08	636.36	-	9,484.44
3/1/2037	8,469	0.500%	378.51	8,847.51	636.36	-	9,483.87
6/1/2037	8,480	0.500%	367.92	8,847.92	636.36	-	9,484.28
9/1/2037	8,490	0.500%	357.32	8,847.32	636.36	-	9,483.68
12/1/2037	8,501	0.500%	346.71	8,847.71	636.36	-	9,484.07
3/1/2038	8,512	0.500%	336.09	8,848.09	636.36	-	9,484.45
6/1/2038	8,522	0.500%	325.45	8,847.45	636.36	-	9,483.81
9/1/2038	8,533	0.500%	314.79	8,847.79	636.36	-	9,484.15

Mar 24, 2014 2:15 pm Prepared by Piper Jaffray & Co. (WDA:LOANS-JEFF114) 3

Net Debt Service
Jefferson County PSD
DWTRF
$985,350
0.5% Interest Rate
0.5% Administrative Fee
30 Years

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2038	8,543	0.500%	304.13	8,847.13	636.36	-	9,483.49
3/1/2039	8,554	0.500%	293.45	8,847.45	636.36	-	9,483.81
6/1/2039	8,565	0.500%	282.76	8,847.76	636.36	-	9,484.12
9/1/2039	8,576	0.500%	272.05	8,848.05	636.36	-	9,484.41
12/1/2039	8,586	0.500%	261.33	8,847.33	636.36	-	9,483.69
3/1/2040	8,597	0.500%	250.60	8,847.60	636.36	-	9,483.96
6/1/2040	8,608	0.500%	239.85	8,847.85	636.36	-	9,484.21
9/1/2040	8,619	0.500%	229.09	8,848.09	636.36	-	9,484.45
12/1/2040	8,629	0.500%	218.32	8,847.32	636.36	-	9,483.68
3/1/2041	8,640	0.500%	207.53	8,847.53	636.36	-	9,483.89
6/1/2041	8,651	0.500%	196.73	8,847.73	636.36	-	9,484.09
9/1/2041	8,662	0.500%	185.92	8,847.92	636.36	-	9,484.28
12/1/2041	8,673	0.500%	175.09	8,848.09	636.36	-	9,484.45
3/1/2042	8,683	0.500%	164.25	8,847.25	636.36	-	9,483.61
6/1/2042	8,694	0.500%	153.39	8,847.39	636.36	-	9,483.75
9/1/2042	8,705	0.500%	142.53	8,847.53	636.36	-	9,483.89
12/1/2042	8,716	0.500%	131.65	8,847.65	636.36	-	9,484.01
3/1/2043	8,727	0.500%	120.75	8,847.75	636.36	-	9,484.11
6/1/2043	8,738	0.500%	109.84	8,847.84	636.36	-	9,484.20
9/1/2043	8,749	0.500%	98.92	8,847.92	636.36	-	9,484.28
12/1/2043	8,760	0.500%	87.98	8,847.98	636.36	-	9,484.34
3/1/2044	8,771	0.500%	77.03	8,848.03	636.36	-	9,484.39
6/1/2044	8,782	0.500%	66.07	8,848.07	636.36	-	9,484.43
9/1/2044	8,793	0.500%	55.09	8,848.09	636.36	-	9,484.45
12/1/2044	8,803	0.500%	44.10	8,847.10	636.36	-	9,483.46
3/1/2045	8,814	0.500%	33.10	8,847.10	636.36	-	9,483.46
6/1/2045	8,826	0.500%	22.08	8,848.08	636.36	-	9,484.44
9/1/2045	8,837	0.500%	11.05	8,848.05	636.36	-	9,484.41
	985,350		76,362.89	1,061,712.89	76,363.20	35,392.17	1,173,468.26

Notes:

Estimated Monthly Net Debt Service Payments:

$3,456.42 from 9/1/2015 through 8/1/2025 (based on maximum quarterly payment of $10,369.26 and monthly payment rounded up to the nearest cent)

$3,161.49 from 9/1/2025 through 8/1/2045 (based on maximum quarterly payment of $9,484.45 and monthly payment rounded up to the nearest cent)

Admin Fee calculated based on percent of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

Mar 24, 2014 2:15 pm Prepared by Piper Jaffray & Co. (WDA:LOANS-JEFF114):3

City of Charles Town

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

RECEIPT FOR BONDS

On the 27th day of December, 2018, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Charles Town (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

1. A. The Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), numbered AR-1 (the "Series 2018 A-1 Bonds"), issued as a single, fully registered Bond, and dated December 27, 2018.

B. The Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), numbered AR-2 (the "Series 2018 A-2 Bonds"), issued as a single, fully registered Bond, and dated December 27, 2018.

C. The Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), numbered AR-3 (the "Series 2018 A-3 Bonds"), issued as a single, fully registered Bond, and dated December 27, 2018.

D. The Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), numbered AR-4 (the "Series 2018 A-4 Bonds"), issued as a single, fully registered Bond, and dated December 27, 2018.

E. The Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), numbered AR-5 (the "Series 2018 A-5 Bonds"), issued as a single, fully registered Bond, and dated December 27, 2018.

F. The Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), numbered AR-6 (the "Series 2018 A-6 Bonds"), issued as a single, fully registered Bond, and dated December 27, 2018.

G. The Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), numbered AR-7 (the "Series 2018 A-7 Bonds"), issued as a single, fully registered Bond, and dated December 27, 2018.

2. At the time of such receipt, all the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds and Series 2018 A-7 Bonds had been executed by the Mayor and the Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

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Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

144220.00043

City of Charles Town

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 27th day of December, 2018;

(1) Bond No. AR-1, constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority); Bond No. AR-2, constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), Bond No. AR-3, constituting the entire original issue of the City of Charles Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), Bond No. AR-4, constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program); Bond No. AR-5 constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program); Bond No. AR-6 constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), and Bond No. AR-7 constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), (collectively, the "Series 2018 Bonds"), all dated December 27, 2018 and executed by the Mayor and the Clerk of the City of Charles Town (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 17, 2018, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-described bond issues, duly certified by the Clerk of the Issuer;

(3) Executed counterparts of a (i) loan agreement assumed by the Issuer for the Series 1988 B Bond, dated April 29, 1988, by and between the Jefferson County Public Service District (the "District") and the West Virginia Water Development Authority (the "Authority"); (ii) executed counterparts of a loan agreement assumed by the Issuer for the Series 1998 B Bonds, dated June 2, 1998 by and among the District, the West Virginia Department of Environmental Protection (the "DEP") and the Authority; (iii) executed counterparts of a loan agreement assumed by the Issuer for the Series 1998 C Bonds, dated June 25, 1998 between the District and the Authority; (iv) executed counterparts of a bond purchase agreement assumed by the Issuer for the Series 1999 A Bonds, dated November 17, 1999 by and among the District, the DEP and the Authority; (v) executed counterparts of a bond purchase agreement assumed by the Issuer for the Series 2000 A Bonds, dated June 1, 2000 by and among the District, the DEP and the Authority; (vi) executed counterparts of a bond purchase agreement assumed by the Issuer for the Series 2008 A Bonds, dated June 2, 2008 by and among the District, the DEP and the Authority; and (vii) executed counterparts of a loan agreement assumed by the Issuer for the Series 2014 A Bonds, dated April 17, 2014 by and between the District and the Authority (collectively, the "Loan Agreements");

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the assumption of the Loan Agreements and the Series 2018 Bonds.

You are hereby requested and authorized to deliver the Series 2018 Bonds to the Authority upon the Issuer's assumption of the Series 2018 Bonds. Prior to such delivery of the Series 2018 Bonds, you will please cause the Series 2018 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.

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Dated as of the day and year first written above.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

144220.00043

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2018 A-1
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1988 B
(West Virginia Water Development Authority)

No. A-1 $425,767

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of December, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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 FOUR HUNDRED TWENTY FIVE THOUSAND SEVEN HUNDRED SIXTY SEVEN DOLLARS ($425,767) in annual installments on October 1 of each year, commencing October 1, 1990 to and including October 1, 2028 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT A.

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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement by and between the Jefferson County Public Service District (the "District") and the Authority, dated April 29, 1988, and assumed by the Issuer on December 27, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development

Authority)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS");

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $599,089 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-2 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 27 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $662,039 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-3 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,363 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-4 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,154,889 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-5 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,005,000 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-6 BONDS"); AND

29. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $985,350 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-7 BONDS"); AND

30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,065,000 ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-1 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-1 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided, however, that so long as there exists in the Series 2018 A-1 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross 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.

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

SPECIMEN

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-1 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 27, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

October 1	
1988	
1989	
1990	10,917.00
1991	10,917.00
1992	10,917.00
1993	10,917.00
1994	10,917.00
1995	10,917.00
1996	10,917.00
1997	10,917.00
1998	10,917.00
1999	10,917.00
2000	10,917.00
2001	10,917.00
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2013	10,917.00
2014	10,917.00
2015	10,917.00
2016	10,917.00
2017	10,917.00
2018	10,917.00
2019	10,917.00
2020	10,917.00
2021	10,917.00
2022	10,917.00
2023	10,917.00
2024	10,917.00
2025	10,917.00
2026	10,917.00
2027	10,917.00
2028	10,921.00
	425,767.00

(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:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2018 A-2
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1998 B
(West Virginia SRF Program)

No. A-2 $599,089

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of December, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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 FIVE HUNDRED NINETY NINE THOUSAND EIGHTY NINE DOLLARS ($599,089) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1999 to and including June 1, 2019 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 1.0% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated June 2, 1998, and assumed by the Issuer on december 27, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the

"System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED

AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31,

2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $425,767 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 27 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $662,039 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-3 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,363 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-4 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,154,889 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-5 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27,

2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,005,000 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-6 BONDS");

29. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $985,350 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-7 BONDS"); AND

30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,065,000 ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-2 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-2 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-2 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-2 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 27, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Jefferson County PSD, WV
SRF Fund Loan
$599,089, 20 Years, 0% Interest, 1% Admin. Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/1999	-	-	-
9/01/1999	7,489.00	-	7,489.00
12/01/1999	7,489.00	-	7,489.00
3/01/2000	7,489.00	-	7,489.00
6/01/2000	7,489.00	-	7,489.00
9/01/2000	7,489.00	-	7,489.00
12/01/2000	7,489.00	-	7,489.00
3/01/2001	7,489.00	-	7,489.00
6/01/2001	7,489.00	-	7,489.00
9/01/2001	7,489.00	-	7,489.00
12/01/2001	7,489.00	-	7,489.00
3/01/2002	7,489.00	-	7,489.00
6/01/2002	7,489.00	-	7,489.00
9/01/2002	7,489.00	-	7,489.00
12/01/2002	7,489.00	-	7,489.00
3/01/2003	7,489.00	-	7,489.00
6/01/2003	7,489.00	-	7,489.00
9/01/2003	7,489.00	-	7,489.00
12/01/2003	7,489.00	-	7,489.00
3/01/2004	7,489.00	-	7,489.00
6/01/2004	7,489.00	-	7,489.00
9/01/2004	7,489.00	-	7,489.00
12/01/2004	7,489.00	-	7,489.00
3/01/2005	7,489.00	-	7,489.00
6/01/2005	7,489.00	-	7,489.00
9/01/2005	7,489.00	-	7,489.00
12/01/2005	7,489.00	-	7,489.00
3/01/2006	7,489.00	-	7,489.00
6/01/2006	7,489.00	-	7,489.00
9/01/2006	7,489.00	-	7,489.00
12/01/2006	7,489.00	-	7,489.00
3/01/2007	7,489.00	-	7,489.00
6/01/2007	7,489.00	-	7,489.00
9/01/2007	7,489.00	-	7,489.00
12/01/2007	7,489.00	-	7,489.00
3/01/2008	7,489.00	-	7,489.00
6/01/2008	7,489.00	-	7,489.00
9/01/2008	7,489.00	-	7,489.00
12/01/2008	7,489.00	-	7,489.00
3/01/2009	7,489.00	-	7,489.00
6/01/2009	7,489.00	-	7,489.00
9/01/2009	7,489.00	-	7,489.00
12/01/2009	7,489.00	-	7,489.00
3/01/2010	7,489.00	-	7,489.00
6/01/2010	7,489.00	-	7,489.00

Jefferson County PSD, WV
SRF Fund Loan
$599,089, 20 Years, 0% Interest, 1% Admin. Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2010	7,489.00	-	7,489.00
12/01/2010	7,489.00	-	7,489.00
3/01/2011	7,489.00	-	7,489.00
6/01/2011	7,489.00	-	7,489.00
9/01/2011	7,489.00	-	7,489.00
12/01/2011	7,488.00	-	7,488.00
3/01/2012	7,488.00	-	7,488.00
6/01/2012	7,488.00	-	7,488.00
9/01/2012	7,488.00	-	7,488.00
12/01/2012	7,488.00	-	7,488.00
3/01/2013	7,488.00	-	7,488.00
6/01/2013	7,488.00	-	7,488.00
9/01/2013	7,488.00	-	7,488.00
12/01/2013	7,488.00	-	7,488.00
3/01/2014	7,488.00	-	7,488.00
6/01/2014	7,488.00	-	7,488.00
9/01/2014	7,488.00	-	7,488.00
12/01/2014	7,488.00	-	7,488.00
3/01/2015	7,488.00	-	7,488.00
6/01/2015	7,488.00	-	7,488.00
9/01/2015	7,488.00	-	7,488.00
12/01/2015	7,488.00	-	7,488.00
3/01/2016	7,488.00	-	7,488.00
6/01/2016	7,488.00	-	7,488.00
9/01/2016	7,488.00	-	7,488.00
12/01/2016	7,488.00	-	7,488.00
3/01/2017	7,488.00	-	7,488.00
6/01/2017	7,488.00	-	7,488.00
9/01/2017	7,488.00	-	7,488.00
12/01/2017	7,488.00	-	7,488.00
3/01/2018	7,488.00	-	7,488.00
6/01/2018	7,488.00	-	7,488.00
9/01/2018	7,488.00	-	7,488.00
12/01/2018	7,488.00	-	7,488.00
3/01/2019	7,488.00	-	7,488.00
6/01/2019	7,488.00	-	7,488.00
TOTAL	599,089.00	-	599,089.00 *

*Plus $758.21 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $60,656.80.

(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:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2018 A-3
(WEST VIRGINIA INFRASTRUCTURE FUND)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1998 C
(West Virginia Infrastructure Fund)

No. A-3 $662,039

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of December, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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 SIX HUNDRED SIXTY TWO THOUSAND THIRTY NINE DOLLARS $662,039) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2019 to and including June 1, 2038 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference with interest of 1.0% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2019, to and including June 1, 2038 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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 United Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 by and between the Jefferson County Public Service District (the "District") and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council, dated June 25, 1998, and assumed by the Issuer on December 27, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15 A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY),

DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014,

ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $425,767 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $599,089 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,363 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-4 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27,

2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,154,889 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-5 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,005,000 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-6 BONDS");

29. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $985,350 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-7 BONDS"); AND

30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,065,000 ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-3 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-3 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including Series 2018 A-1 Bonds, Series 2018 A-2, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-3 Bonds Reserve Account an amount at least equal to the

maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2918 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-3 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 27, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Jefferson County Public Service District
$662,039
Infrastructure Fund Loan

Term (Yrs.): 40 Loan Rate: 1.00%

First Payment: 09/01/19 Final Payment: 6/1/38

Date	#	Principal	Interest	Total
6/1/98		-	-	-
9/1/98		-	-	-
12/1/98		-	-	-
3/1/99		-	-	-
6/1/99		-	-	-
9/1/99		-	-	-
12/1/99		-	-	-
3/1/00		-	-	-
6/1/00		-	-	-
9/1/00		-	-	-
12/1/00		-	-	-
3/1/01		-	-	-
6/1/01		-	-	-
9/1/01		-	-	-
12/1/01		-	-	-
3/1/02		-	-	-
6/1/02		-	-	-
9/1/02		-	-	-
12/1/02		-	-	-
3/1/03		-	-	-
6/1/03		-	-	-
9/1/03		-	-	-
12/1/03		-	-	-
3/1/04		-	-	-
6/1/04		-	-	-
9/1/04		-	-	-
12/1/04		-	-	-
3/1/05		-	-	-
6/1/05		-	-	-
9/1/05		-	-	-
12/1/05		-	-	-
3/1/06		-	-	-
6/1/06		-	-	-
9/1/06		-	-	-
12/1/06		-	-	-
3/1/07		-	-	-
6/1/07		-	-	-
9/1/07		-	-	-
12/1/07		-	-	-
3/1/08		-	-	-

Marquette de Bary Co.
Incorporated

Sheet1
6/16/98
12:10 PM

6/1/08				
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3/1/19				
6/1/19				
9/1/19	1	7,920.83	1,655.09	9,575.62
12/1/19	2	7,940.33	1,635.30	9,575.63
3/1/20	3	7,960.18	1,615.44	9,575.62

Marquette de Bary Co.
Incorporated

Sheet1
6/16/98
12:10 PM

6/1/20	4	7,980.08	1,595.55	9,575.63
9/1/20	5	8,000.04	1,575.59	9,575.63
12/1/20	6	8,020.04	1,555.60	9,575.64
3/1/21	7	8,040.09	1,535.54	9,575.63
6/1/21	8	8,060.19	1,515.45	9,575.64
9/1/21	9	8,080.34	1,495.29	9,575.63
12/1/21	10	8,100.54	1,475.10	9,575.64
3/1/22	11	8,120.79	1,454.84	9,575.63
6/1/22	12	8,141.09	1,434.54	9,575.63
9/1/22	13	8,161.44	1,414.18	9,575.62
12/1/22	14	8,181.85	1,393.79	9,575.64
3/1/23	15	8,202.30	1,373.32	9,575.62
6/1/23	16	8,222.81	1,352.83	9,575.64
9/1/23	17	8,243.36	1,332.26	9,575.62
12/1/23	18	8,263.97	1,311.66	9,575.63
3/1/24	19	8,284.63	1,290.99	9,575.62
6/1/24	20	8,305.34	1,270.29	9,575.63
9/1/24	21	8,326.11	1,249.52	9,575.63
12/1/24	22	8,346.92	1,228.71	9,575.63
3/1/25	23	8,367.79	1,207.84	9,575.63
6/1/25	24	8,388.71	1,186.93	9,575.64
9/1/25	25	8,409.68	1,165.94	9,575.62
12/1/25	26	8,430.71	1,144.93	9,575.64
3/1/26	27	8,451.78	1,123.84	9,575.62
6/1/26	28	8,472.91	1,102.72	9,575.63
9/1/26	29	8,494.09	1,081.53	9,575.62
12/1/26	30	8,515.33	1,060.31	9,575.64
3/1/27	31	8,536.62	1,039.01	9,575.63
6/1/27	32	8,557.96	1,017.68	9,575.64
9/1/27	33	8,579.36	996.27	9,575.62
12/1/27	34	8,600.80	974.83	9,575.63
3/1/28	35	8,622.30	953.32	9,575.62
6/1/28	36	8,643.86	931.77	9,575.63
9/1/28	37	8,665.47	910.16	9,575.63
12/1/28	38	8,687.13	888.50	9,575.63
3/1/29	39	8,708.85	866.77	9,575.62
6/1/29	40	8,730.62	845.01	9,575.63
9/1/29	41	8,752.45	823.18	9,575.63
12/1/29	42	8,774.33	801.30	9,575.63
3/1/30	43	8,796.27	779.36	9,575.63
6/1/30	44	8,818.26	757.38	9,575.64
9/1/30	45	8,840.30	735.32	9,575.62
12/1/30	46	8,862.40	713.23	9,575.63
3/1/31	47	8,884.56	691.07	9,575.63
6/1/31	48	8,906.77	668.86	9,575.63
9/1/31	49	8,929.04	646.59	9,575.63
12/1/31	50	8,951.36	624.27	9,575.63
3/1/32	51	8,973.74	601.89	9,575.63

6/1/32	52	8,998.17	579.46	9,575.63
9/1/32	53	9,018.66	556.96	9,575.62
12/1/32	54	9,041.21	534.42	9,575.63
3/1/33	55	9,063.81	511.81	9,575.62
6/1/33	56	9,086.47	489.16	9,575.63
9/1/33	57	9,109.19	466.44	9,575.63
12/1/33	58	9,131.96	443.67	9,575.63
3/1/34	59	9,154.79	420.83	9,575.62
6/1/34	60	9,177.68	397.96	9,575.64
9/1/34	61	9,200.62	375.00	9,575.62
12/1/34	62	9,223.62	352.01	9,575.63
3/1/35	63	9,246.68	328.94	9,575.62
6/1/35	64	9,269.80	305.83	9,575.63
9/1/35	65	9,292.98	282.65	9,575.63
12/1/35	66	9,316.21	259.43	9,575.64
3/1/36	67	9,339.50	236.13	9,575.63
6/1/36	68	9,362.85	212.79	9,575.64
9/1/36	69	9,386.25	189.37	9,575.62
12/1/36	70	9,409.72	165.92	9,575.64
3/1/37	71	9,433.24	142.38	9,575.62
6/1/37	72	9,456.83	118.81	9,575.64
9/1/37	73	9,480.47	95.16	9,575.63
12/1/37	74	9,504.17	71.46	9,575.63
3/1/38	75	9,527.93	47.69	9,575.62
6/1/38	76	9,551.72	23.88	9,575.60
		$ 662,039.00	$ 65,708.85	$ 727,747.79

Summary Statistics:	
Average Annual Cost -	$18,193.69
Average Life -	30.925
Average Interest Rate -	0.4750%
Net Interest Cost (NIC)	0.3209%
True Interest Cost (TIC)	0.3102%
Tax Yield (I.R.C. Section 148)	0.3102%
All-In Yield (AIC)	0.3102%

Data for Form 8038:	Line 16:	Line 20:
(a)	6/1/38	N/A
(b)	1.000%	N/A
(c)	$9,551.72	$662,039.00
(d)	$9,551.72	$662,039.00
(e)	N/A	30.925
(f)	N/A	0.3102%
(g)	N/A	0.3209%

Marquette de Bary Co.
Incorporated

Sheet1
6/16/98
12:10 PM

(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:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2018 A-4
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 1999 A
(West Virginia SRF Program)

No. A-4 $378,363

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of December, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE HUNDRED SEVENTY EIGHT THOUSAND THREE HUNDRED SIXTY THREE DOLLARS ($378,363) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2000 to and including March 1, 2030 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated November 17, 1999, and assumed by the Issuer on December 27, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any

further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $425,767 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $599,089 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $662,039 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL

AMOUNT OF $1,154,889 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-5 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,005,000 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-6 BONDS"); AND

29. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $985,350 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-7 BONDS");

30. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,065,000 ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-4 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-4 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however,

that so long as there exists in the Series 2018 A-4 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-4 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 27, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2011	3,153.00	-	3,153.00
3/01/2012	3,153.00	-	3,153.00
6/01/2012	3,153.00	-	3,153.00
9/01/2012	3,153.00	-	3,153.00
12/01/2012	3,153.00	-	3,153.00
3/01/2013	3,153.00	-	3,153.00
6/01/2013	3,153.00	-	3,153.00
9/01/2013	3,153.00	-	3,153.00
12/01/2013	3,153.00	-	3,153.00
3/01/2014	3,153.00	-	3,153.00
6/01/2014	3,153.00	-	3,153.00
9/01/2014	3,153.00	-	3,153.00
12/01/2014	3,153.00	-	3,153.00
3/01/2015	3,153.00	-	3,153.00
6/01/2015	3,153.00	-	3,153.00
9/01/2015	3,153.00	-	3,153.00
12/01/2015	3,153.00	-	3,153.00
3/01/2016	3,153.00	-	3,153.00
6/01/2016	3,153.00	-	3,153.00
9/01/2016	3,153.00	-	3,153.00
12/01/2016	3,153.00	-	3,153.00
3/01/2017	3,153.00	-	3,153.00
6/01/2017	3,153.00	-	3,153.00
9/01/2017	3,153.00	-	3,153.00
12/01/2017	3,153.00	-	3,153.00
3/01/2018	3,153.00	-	3,153.00
6/01/2018	3,153.00	-	3,153.00
9/01/2018	3,153.00	-	3,153.00
12/01/2018	3,153.00	-	3,153.00
3/01/2019	3,153.00	-	3,153.00
6/01/2019	3,153.00	-	3,153.00
9/01/2019	3,153.00	-	3,153.00
12/01/2019	3,153.00	-	3,153.00
3/01/2020	3,153.00	-	3,153.00
6/01/2020	3,153.00	-	3,153.00
9/01/2020	3,153.00	-	3,153.00
12/01/2020	3,153.00	-	3,153.00
3/01/2021	3,153.00	-	3,153.00
6/01/2021	3,153.00	-	3,153.00
9/01/2021	3,153.00	-	3,153.00
12/01/2021	3,153.00	-	3,153.00
3/01/2022	3,153.00	-	3,153.00
6/01/2022	3,153.00	-	3,153.00
9/01/2022	3,153.00	-	3,153.00
12/01/2022	3,153.00	-	3,153.00
3/01/2023	3,153.00	-	3,153.00
6/01/2023	3,153.00	-	3,153.00

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2023	3,153.00	-	3,153.00
12/01/2023	3,153.00	-	3,153.00
3/01/2024	3,153.00	-	3,153.00
6/01/2024	3,153.00	-	3,153.00
9/01/2024	3,153.00	-	3,153.00
12/01/2024	3,153.00	-	3,153.00
3/01/2025	3,153.00	-	3,153.00
6/01/2025	3,153.00	-	3,153.00
9/01/2025	3,153.00	-	3,153.00
12/01/2025	3,153.00	-	3,153.00
3/01/2026	3,153.00	-	3,153.00
6/01/2026	3,153.00	-	3,153.00
9/01/2026	3,153.00	-	3,153.00
12/01/2026	3,153.00	-	3,153.00
3/01/2027	3,153.00	-	3,153.00
6/01/2027	3,153.00	-	3,153.00
9/01/2027	3,153.00	-	3,153.00
12/01/2027	3,153.00	-	3,153.00
3/01/2028	3,153.00	-	3,153.00
6/01/2028	3,153.00	-	3,153.00
9/01/2028	3,153.00	-	3,153.00
12/01/2028	3,153.00	-	3,153.00
3/01/2029	3,153.00	-	3,153.00
6/01/2029	3,153.00	-	3,153.00
9/01/2029	3,153.00	-	3,153.00
12/01/2029	3,153.00	-	3,153.00
3/01/2030	3,153.00	-	3,153.00
Total	378,363.00	-	378,363.00 *

*Plus $238.45 one-half percent administrative fee paid quarterly. Total fee paid over the life of the loan is $28,614.

(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:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2018 A-5
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

No. A-5 $1,154,889

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of December, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION ONE HUNDRED FIFTY FOUR THOUSAND EIGHT HUNDRED EIGHTY NINE DOLLARS ($1,154,889) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002 to and including December 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated June 1, 2000, and assumed by the Issuer on December 27, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any

further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED

AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31,

2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $425,767 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $599,089 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $662,039 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,363 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-4 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27,

2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,005,000 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-6 BONDS"); AND

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $985,350 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-7 BONDS"); AND

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,065,000 ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-5 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-5 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-6 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-5 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-

6 Bonds, Series 2018 A-7 Bonds, Seris 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-5 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 27, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

EXHIBIT B

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	-	-	-
3/01/2002	9,625.00	-	9,625.00
6/01/2002	9,625.00	-	9,625.00
9/01/2002	9,625.00	-	9,625.00
12/01/2002	9,625.00	-	9,625.00
3/01/2003	9,625.00	-	9,625.00
6/01/2003	9,625.00	-	9,625.00
9/01/2003	9,625.00	-	9,625.00
12/01/2003	9,625.00	-	9,625.00
3/01/2004	9,625.00	-	9,625.00
6/01/2004	9,624.00	-	9,624.00
9/01/2004	9,624.00	-	9,624.00
12/01/2004	9,624.00	-	9,624.00
3/01/2005	9,624.00	-	9,624.00
6/01/2005	9,624.00	-	9,624.00
9/01/2005	9,624.00	-	9,624.00
12/01/2005	9,624.00	-	9,624.00
3/01/2006	9,624.00	-	9,624.00
6/01/2006	9,624.00	-	9,624.00
9/01/2006	9,624.00	-	9,624.00
12/01/2006	9,624.00	-	9,624.00
3/01/2007	9,624.00	-	9,624.00
6/01/2007	9,624.00	-	9,624.00
9/01/2007	9,624.00	-	9,624.00
12/01/2007	9,624.00	-	9,624.00
3/01/2008	9,624.00	-	9,624.00
6/01/2008	9,624.00	-	9,624.00
9/01/2008	9,624.00	-	9,624.00
12/01/2008	9,624.00	-	9,624.00
3/01/2009	9,624.00	-	9,624.00
6/01/2009	9,624.00	-	9,624.00
9/01/2009	9,624.00	-	9,624.00
12/01/2009	9,624.00	-	9,624.00
3/01/2010	9,624.00	-	9,624.00
6/01/2010	9,624.00	-	9,624.00
9/01/2010	9,624.00	-	9,624.00
12/01/2010	9,624.00	-	9,624.00
3/01/2011	9,624.00	-	9,624.00
6/01/2011	9,624.00	-	9,624.00
9/01/2011	9,624.00	-	9,624.00
12/01/2011	9,624.00	-	9,624.00

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2012	9,624.00	-	9,624.00
6/01/2012	9,624.00	-	9,624.00
9/01/2012	9,624.00	-	9,624.00
12/01/2012	9,624.00	-	9,624.00
3/01/2013	9,624.00	-	9,624.00
6/01/2013	9,624.00	-	9,624.00
9/01/2013	9,624.00	-	9,624.00
12/01/2013	9,624.00	-	9,624.00
3/01/2014	9,624.00	-	9,624.00
6/01/2014	9,624.00	-	9,624.00
9/01/2014	9,624.00	-	9,624.00
12/01/2014	9,624.00	-	9,624.00
3/01/2015	9,624.00	-	9,624.00
6/01/2015	9,624.00	-	9,624.00
9/01/2015	9,624.00	-	9,624.00
12/01/2015	9,624.00	-	9,624.00
3/01/2016	9,624.00	-	9,624.00
6/01/2016	9,624.00	-	9,624.00
9/01/2016	9,624.00	-	9,624.00
12/01/2016	9,624.00	-	9,624.00
3/01/2017	9,624.00	-	9,624.00
6/01/2017	9,624.00	-	9,624.00
9/01/2017	9,624.00	-	9,624.00
12/01/2017	9,624.00	-	9,624.00
3/01/2018	9,624.00	-	9,624.00
6/01/2018	9,624.00	-	9,624.00
9/01/2018	9,624.00	-	9,624.00
12/01/2018	9,624.00	-	9,624.00
3/01/2019	9,624.00	-	9,624.00
6/01/2019	9,624.00	-	9,624.00
9/01/2019	9,624.00	-	9,624.00
12/01/2019	9,624.00	-	9,624.00
3/01/2020	9,624.00	-	9,624.00
6/01/2020	9,624.00	-	9,624.00
9/01/2020	9,624.00	-	9,624.00
12/01/2020	9,624.00	-	9,624.00
3/01/2021	9,624.00	-	9,624.00
6/01/2021	9,624.00	-	9,624.00
9/01/2021	9,624.00	-	9,624.00
12/01/2021	9,624.00	-	9,624.00
3/01/2022	9,624.00	-	9,624.00
6/01/2022	9,624.00	-	9,624.00
9/01/2022	9,624.00	-	9,624.00
12/01/2022	9,624.00	-	9,624.00
3/01/2023	9,624.00	-	9,624.00
6/01/2023	9,624.00	-	9,624.00

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889

30 Years, 0% Interest, 1/2% Administrative Fee

Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2023	9,624.00	-	9,624.00
12/01/2023	9,624.00	-	9,624.00
3/01/2024	9,624.00	-	9,624.00
6/01/2024	9,624.00	-	9,624.00
9/01/2024	9,624.00	-	9,624.00
12/01/2024	9,624.00	-	9,624.00
3/01/2025	9,624.00	-	9,624.00
6/01/2025	9,624.00	-	9,624.00
9/01/2025	9,624.00	-	9,624.00
12/01/2025	9,624.00	-	9,624.00
3/01/2026	9,624.00	-	9,624.00
6/01/2026	9,624.00	-	9,624.00
9/01/2026	9,624.00	-	9,624.00
12/01/2026	9,624.00	-	9,624.00
3/01/2027	9,624.00	-	9,624.00
6/01/2027	9,624.00	-	9,624.00
9/01/2027	9,624.00	-	9,624.00
12/01/2027	9,624.00	-	9,624.00
3/01/2028	9,624.00	-	9,624.00
6/01/2028	9,624.00	-	9,624.00
9/01/2028	9,624.00	-	9,624.00
12/01/2028	9,624.00	-	9,624.00
3/01/2029	9,624.00	-	9,624.00
6/01/2029	9,624.00	-	9,624.00
9/01/2029	9,624.00	-	9,624.00
12/01/2029	9,624.00	-	9,624.00
3/01/2030	9,624.00	-	9,624.00
6/01/2030	9,624.00	-	9,624.00
9/01/2030	9,624.00	-	9,624.00
12/01/2030	9,624.00	-	9,624.00
3/01/2031	9,624.00	-	9,624.00
6/01/2031	9,824.00	-	9,624.00
9/01/2031	9,624.00	-	9,624.00
12/01/2031	9,624.00	-	9,624.00
Total	1,154,889.00	-	1,154,889.00 *

*Plus $727.82 one-half percent administrative fee paid quarterly. Total fee over the life of the loan is $87,338.40.

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Bond Year Dollars	$19,132.54
Average Life	16.567 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	6.36E-12
Bond Yield for Arbitrage Purposes	6.36E-12
All Inclusive Cost (AIC)	0.4547866%

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	16.567 Years

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2018 A-6
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

No. A-6 $2,005,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of December, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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 THOUSAND DOLLARS ($2,005,000) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2009 to and including December 1, 2038 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Jefferson County Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated June 2, 2008, and assumed by the Issuer on December 27, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the

"System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS").

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $425,767 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $599,089 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $662,039 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,363 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-4 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,154,889 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-5 BONDS");

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $985,350 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-7 BONDS"); AND

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,065,000 ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-6 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-6 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-7 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-6 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1

Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-7 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-6 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 27, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

$2,005,000

Jefferson County Public Service District

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	16,709.00	-	16,709.00
06/01/2009	16,709.00	-	16,709.00
09/01/2009	16,709.00	-	16,709.00
12/01/2009	16,709.00	-	16,709.00
03/01/2010	16,709.00	-	16,709.00
06/01/2010	16,709.00	-	16,709.00
09/01/2010	16,709.00	-	16,709.00
12/01/2010	16,709.00	-	16,709.00
03/01/2011	16,709.00	-	16,709.00
06/01/2011	16,709.00	-	16,709.00
09/01/2011	16,709.00	-	16,709.00
12/01/2011	16,709.00	-	16,709.00
03/01/2012	16,709.00	-	16,709.00
06/01/2012	16,709.00	-	16,709.00
09/01/2012	16,709.00	-	16,709.00
12/01/2012	16,709.00	-	16,709.00
03/01/2013	16,709.00	-	16,709.00
06/01/2013	16,709.00	-	16,709.00
09/01/2013	16,709.00	-	16,709.00
12/01/2013	16,709.00	-	16,709.00
03/01/2014	16,709.00	-	16,709.00
06/01/2014	16,709.00	-	16,709.00
09/01/2014	16,709.00	-	16,709.00
12/01/2014	16,709.00	-	16,709.00
03/01/2015	16,709.00	-	16,709.00
06/01/2015	16,709.00	-	16,709.00
09/01/2015	16,709.00	-	16,709.00
12/01/2015	16,709.00	-	16,709.00
03/01/2016	16,709.00	-	16,709.00
06/01/2016	16,709.00	-	16,709.00
09/01/2016	16,709.00	-	16,709.00
12/01/2016	16,709.00	-	16,709.00
03/01/2017	16,709.00	-	16,709.00
06/01/2017	16,709.00	-	16,709.00
09/01/2017	16,709.00	-	16,709.00
12/01/2017	16,709.00	-	16,709.00
03/01/2018	16,709.00	-	16,709.00
06/01/2018	16,709.00	-	16,709.00
09/01/2018	16,709.00	-	16,709.00
12/01/2018	16,709.00	-	16,709.00
03/01/2019	16,708.00	-	16,708.00
06/01/2019	16,708.00	-	16,708.00

$2,005,000

Jefferson County Public Service District

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2019	16,708.00	-	16,708.00
12/01/2019	16,708.00	-	16,708.00
03/01/2020	16,708.00	-	16,708.00
06/01/2020	16,708.00	-	16,708.00
09/01/2020	16,708.00	-	16,708.00
12/01/2020	16,708.00	-	16,708.00
03/01/2021	16,708.00	-	16,708.00
06/01/2021	16,708.00	-	16,708.00
09/01/2021	16,708.00	-	16,708.00
12/01/2021	16,708.00	-	16,708.00
03/01/2022	16,708.00	-	16,708.00
06/01/2022	16,708.00	-	16,708.00
09/01/2022	16,708.00	-	16,708.00
12/01/2022	16,708.00	-	16,708.00
03/01/2023	16,708.00	-	16,708.00
06/01/2023	16,708.00	-	16,708.00
09/01/2023	16,708.00	-	16,708.00
12/01/2023	16,708.00	-	16,708.00
03/01/2024	16,708.00	-	16,708.00
06/01/2024	16,708.00	-	16,708.00
09/01/2024	16,708.00	-	16,708.00
12/01/2024	16,708.00	-	16,708.00
03/01/2025	16,708.00	-	16,708.00
06/01/2025	16,708.00	-	16,708.00
09/01/2025	16,708.00	-	16,708.00
12/01/2025	16,708.00	-	16,708.00
03/01/2026	16,708.00	-	16,708.00
06/01/2026	16,708.00	-	16,708.00
09/01/2026	16,708.00	-	16,708.00
12/01/2026	16,708.00	-	16,708.00
03/01/2027	16,708.00	-	16,708.00
06/01/2027	16,708.00	-	16,708.00
09/01/2027	16,708.00	-	16,708.00
12/01/2027	16,708.00	-	16,708.00
03/01/2028	16,708.00	-	16,708.00
06/01/2028	16,708.00	-	16,708.00
09/01/2028	16,708.00	-	16,708.00
12/01/2028	16,708.00	-	16,708.00
03/01/2029	16,708.00	-	16,708.00
06/01/2029	16,708.00	-	16,708.00
09/01/2029	16,708.00	-	16,708.00
12/01/2029	16,708.00	-	16,708.00
03/01/2030	16,708.00	-	16,708.00
06/01/2030	16,708.00	-	16,708.00

$2,005,000

Jefferson County Public Service District

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2030	16,708.00	-	16,708.00
12/01/2030	16,708.00	-	16,708.00
03/01/2031	16,708.00	-	16,708.00
06/01/2031	16,708.00	-	16,708.00
09/01/2031	16,708.00	-	16,708.00
12/01/2031	16,708.00	-	16,708.00
03/01/2032	16,708.00	-	16,708.00
06/01/2032	16,708.00	-	16,708.00
09/01/2032	16,708.00	-	16,708.00
12/01/2032	16,708.00	-	16,708.00
03/01/2033	16,708.00	-	16,708.00
06/01/2033	16,708.00	-	16,708.00
09/01/2033	16,708.00	-	16,708.00
12/01/2033	16,708.00	-	16,708.00
03/01/2034	16,708.00	-	16,708.00
06/01/2034	16,708.00	-	16,708.00
09/01/2034	16,708.00	-	16,708.00
12/01/2034	16,708.00	-	16,708.00
03/01/2035	16,708.00	-	16,708.00
06/01/2035	16,708.00	-	16,708.00
09/01/2035	16,708.00	-	16,708.00
12/01/2035	16,708.00	-	16,708.00
03/01/2036	16,708.00	-	16,708.00
06/01/2036	16,708.00	-	16,708.00
09/01/2036	16,708.00	-	16,708.00
12/01/2036	16,708.00	-	16,708.00
03/01/2037	16,708.00	-	16,708.00
06/01/2037	16,708.00	-	16,708.00
09/01/2037	16,708.00	-	16,708.00
12/01/2037	16,708.00	-	16,708.00
03/01/2038	16,708.00	-	16,708.00
06/01/2038	16,708.00	-	16,708.00
09/01/2038	16,708.00	-	16,708.00
12/01/2038	16,708.00	-	16,708.00
Total	$2,005,000.00	-	$2,005,000.00 *

*Plus $1,263.56 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $151,627.20.

(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:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2018 A-7
(WEST VIRGINIA DWTRF PROGRAM)

Replacement Bond
for
Jefferson County Public Service District
Sewer Revenue Bonds, Series 2014 A
(West Virginia DWTRF Program)

No. A-7 $985,350

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of December, 2018, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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 NINE HUNDRED EIGHTY FIVE THOUSAND THREE HUNDRED FIFTY DOLLARS ($985,350) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2015 to and including September 1, 2045 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference with interest of 0.50% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2015, to and including September 1, 2045 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee of 0.50% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 by and between the Jefferson County Public Service District (the "District") and the Authority on behalf of the West

Virginia Bureau for Public Health, dated April 17, 2014, and assumed by the Issuer on December 27, 2018.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District (the "District Assets") from the District. The existing public combined waterworks and sewerage system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, and a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $413,629 (THE "SERIES 1987 B BONDS");

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $295,916 (THE "SERIES 1988 B-1 BONDS");

3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $558,000 (THE "SERIES 1988 B-2 BONDS");

4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $117,480 (THE "SERIES 1989 B BONDS");

5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $437,601 (THE "SERIES 1998 BONDS");

6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $912,458 (THE "SERIES 2010 A BONDS");

10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 B BONDS");

11. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2010 C BONDS");

12. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $500,000 (THE "SERIES 2010 D BONDS");

13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $13,147,192 (THE "SERIES 2011 A BONDS");

14. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $591,977 (THE "SERIES 2013 A BONDS");

15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 B (TAX-EXEMPT), DATED OCTOBER 1, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,970,000 (THE "SERIES 2013 B BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 18, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,058,900 (THE "SERIES 2014 A BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 C (AMT), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $820,000 (THE "SERIES 2014 C BONDS");

18. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 D (TAXABLE), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,445,000 (THE "SERIES 2014 D BONDS");

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2014 E (BANK QUALIFIED), DATED OCTOBER 31, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,425,000 (THE "SERIES 2014 E BONDS");

20. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 A, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,750,000 (THE "SERIES 2015 A BONDS");

21. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2015 B, DATED NOVEMBER 19, 2015, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,355,000 (THE "SERIES 2015 B BONDS");

22. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED MARCH 17, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,695,000 (THE "SERIES 2016 A BONDS"); AND

23. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 B, DATED AUGUST 18, 2016, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,895,000 (THE "SERIES 2016 B BONDS");

24. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $425,767 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-1 BONDS");

25. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA SRF PPROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $599,089 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-2 BONDS");

26. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $662,039 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-3 BONDS");

27. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,363 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-4 BONDS");

28. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,154,889 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-5 BONDS");

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 27, 2018, ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,005,000 AND SIMULTANEOUSLY ASSUMED HEREWITH (THE "SERIES 2018 A-6 BONDS"); AND

2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 B (BANK QUALIFIED) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,065,000 ("SERIES 2018 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS, SERIES 2010 D BONDS, SERIES 2011 A BONDS, SERIES 2013 A BONDS, SERIES 2014 A BONDS, SERIES 2014 C BONDS, SERIES 2014 D BONDS, SERIES 2014 E BONDS, SERIES 2015 A BONDS, SERIES 2015 B BONDS, SERIES 2016 A BONDS AND SERIES 2016 B BONDS ARE COLLETIVELY, THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2018 A-7 Bonds Reserve Account"). Such Gross 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2018 A-7 Bonds Reserve Account and unexpended proceeds of the Bonds, if any. 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 revenues on a parity with the Bonds, including the Series 2018 A-1

Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2018 A-7 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series 2018 A-4 Bonds, Series 2018 A-5 Bonds, Series 2018 A-6 Bonds, Series 2018 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2018 A-7 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 27, 2018.

UNITED BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service
Jefferson County PSD
DWTRP
$985,350
0.5% Interest Rate
0.5% Administrative Fee
30 Years

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2015	7,616	0.500%	1,231.69	8,847.69	636.36	884.81	10,368.86
3/1/2016	7,625	0.500%	1,222.17	8,847.17	636.36	884.81	10,368.34
6/1/2016	7,635	0.500%	1,212.64	8,847.64	636.36	884.81	10,368.81
9/1/2016	7,645	0.500%	1,203.09	8,848.09	636.36	884.81	10,369.26
12/1/2016	7,654	0.500%	1,193.54	8,847.54	636.36	884.81	10,368.71
3/1/2017	7,664	0.500%	1,183.97	8,847.97	636.36	884.81	10,369.14
6/1/2017	7,673	0.500%	1,174.39	8,847.39	636.36	884.81	10,368.56
9/1/2017	7,683	0.500%	1,164.80	8,847.80	636.36	884.81	10,368.97
12/1/2017	7,692	0.500%	1,155.19	8,847.19	636.36	884.81	10,368.36
3/1/2018	7,702	0.500%	1,145.58	8,847.58	636.36	884.81	10,368.75
6/1/2018	7,712	0.500%	1,135.95	8,847.95	636.36	884.81	10,369.12
9/1/2018	7,721	0.500%	1,126.31	8,847.31	636.36	884.81	10,368.48
12/1/2018	7,731	0.500%	1,116.66	8,847.66	636.36	884.81	10,368.83
3/1/2019	7,741	0.500%	1,107.00	8,848.00	636.36	884.81	10,369.17
6/1/2019	7,750	0.500%	1,097.32	8,847.32	636.36	884.81	10,368.49
9/1/2019	7,760	0.500%	1,087.63	8,847.63	636.36	884.81	10,368.80
12/1/2019	7,770	0.500%	1,077.93	8,847.93	636.36	884.81	10,369.10
3/1/2020	7,779	0.500%	1,068.22	8,847.22	636.36	884.80	10,368.38
6/1/2020	7,789	0.500%	1,058.50	8,847.50	636.36	884.80	10,368.66
9/1/2020	7,799	0.500%	1,048.76	8,847.76	636.36	884.80	10,368.92
12/1/2020	7,809	0.500%	1,039.01	8,848.01	636.36	884.80	10,369.17
3/1/2021	7,819	0.500%	1,029.25	8,847.25	636.36	884.80	10,368.41
6/1/2021	7,828	0.500%	1,019.48	8,847.48	636.36	884.80	10,368.64
9/1/2021	7,838	0.500%	1,009.69	8,847.69	636.36	884.80	10,368.85
12/1/2021	7,848	0.500%	999.90	8,847.90	636.36	884.80	10,369.06
3/1/2022	7,858	0.500%	990.09	8,848.09	636.36	884.80	10,369.25
6/1/2022	7,867	0.500%	980.26	8,847.26	636.36	884.80	10,368.42
9/1/2022	7,877	0.500%	970.43	8,847.43	636.36	884.80	10,368.59
12/1/2022	7,887	0.500%	960.58	8,847.58	636.36	884.80	10,368.74
3/1/2023	7,897	0.500%	950.72	8,847.72	636.36	884.80	10,368.88
6/1/2023	7,907	0.500%	940.85	8,847.85	636.36	884.80	10,369.01
9/1/2023	7,917	0.500%	930.97	8,847.97	636.36	884.80	10,369.13
12/1/2023	7,927	0.500%	921.07	8,848.07	636.36	884.80	10,369.23
3/1/2024	7,936	0.500%	911.16	8,847.16	636.36	884.80	10,368.32
6/1/2024	7,946	0.500%	901.24	8,847.24	636.36	884.80	10,368.40
9/1/2024	7,956	0.500%	891.31	8,847.31	636.36	884.80	10,368.47
12/1/2024	7,966	0.500%	881.37	8,847.37	636.36	884.80	10,368.53
3/1/2025	7,976	0.500%	871.41	8,847.41	636.36	884.80	10,368.57
6/1/2025	7,986	0.500%	861.44	8,847.44	636.36	884.80	10,368.60
9/1/2025	7,996	0.500%	851.46	8,847.46	636.36	884.80	10,368.62
12/1/2025	8,006	0.500%	841.46	8,847.46	636.36	-	9,483.82
3/1/2026	8,016	0.500%	831.45	8,847.45	636.36	-	9,483.81
6/1/2026	8,026	0.500%	821.43	8,847.43	636.36	-	9,483.79
9/1/2026	8,036	0.500%	811.40	8,847.40	636.36	-	9,483.76
12/1/2026	8,046	0.500%	801.36	8,847.36	636.36	-	9,483.72
3/1/2027	8,056	0.500%	791.30	8,847.30	636.36	-	9,483.66

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	Net Debt Service								
	Jefferson County PSD								
	DWTRF								
	$985,350								
	0.5% Interest Rate								
	0.5% Administrative Fee								
	30 Years								
	Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service	
	6/1/2027	8,066	0.500%	781.23	8,847.23	636.36	-	9,483.59	
	9/1/2027	8,076	0.500%	771.15	8,847.15	636.36	-	9,483.51	
	12/1/2027	8,087	0.500%	761.05	8,848.05	636.36	-	9,484.41	
	3/1/2028	8,097	0.500%	750.94	8,847.94	636.36	-	9,484.30	
	6/1/2028	8,107	0.500%	740.82	8,847.82	636.36	-	9,484.18	
	9/1/2028	8,117	0.500%	730.69	8,847.69	636.36	-	9,484.05	
	12/1/2028	8,127	0.500%	720.54	8,847.54	636.36	-	9,483.90	
	3/1/2029	8,137	0.500%	710.38	8,847.38	636.36	-	9,483.74	
	6/1/2029	8,147	0.500%	700.21	8,847.21	636.36	-	9,483.57	
	9/1/2029	8,158	0.500%	690.03	8,848.03	636.36	-	9,484.39	
	12/1/2029	8,168	0.500%	679.83	8,847.83	636.36	-	9,484.19	
	3/1/2030	8,178	0.500%	669.62	8,847.62	636.36	-	9,483.98	
	6/1/2030	8,188	0.500%	659.40	8,847.40	636.36	-	9,483.76	
	9/1/2030	8,198	0.500%	649.16	8,847.16	636.36	-	9,483.52	
	12/1/2030	8,209	0.500%	638.92	8,847.92	636.36	-	9,484.28	
	3/1/2031	8,219	0.500%	628.65	8,847.65	636.36	-	9,484.01	
	6/1/2031	8,229	0.500%	618.38	8,847.38	636.36	-	9,483.74	
	9/1/2031	8,239	0.500%	608.09	8,847.09	636.36	-	9,483.45	
	12/1/2031	8,250	0.500%	597.80	8,847.80	636.36	-	9,484.16	
	3/1/2032	8,260	0.500%	587.48	8,847.48	636.36	-	9,483.84	
	6/1/2032	8,270	0.500%	577.16	8,847.16	636.36	-	9,483.52	
	9/1/2032	8,281	0.500%	566.82	8,847.82	636.36	-	9,484.18	
	12/1/2032	8,291	0.500%	556.47	8,847.47	636.36	-	9,483.83	
	3/1/2033	8,301	0.500%	546.11	8,847.11	636.36	-	9,483.47	
	6/1/2033	8,312	0.500%	535.73	8,847.73	636.36	-	9,484.09	
	9/1/2033	8,322	0.500%	525.34	8,847.34	636.36	-	9,483.70	
	12/1/2033	8,333	0.500%	514.94	8,847.94	636.36	-	9,484.30	
	3/1/2034	8,343	0.500%	504.52	8,847.52	636.36	-	9,483.88	
	6/1/2034	8,354	0.500%	494.09	8,848.09	636.36	-	9,484.45	
	9/1/2034	8,364	0.500%	483.65	8,847.65	636.36	-	9,484.01	
	12/1/2034	8,374	0.500%	473.19	8,847.19	636.36	-	9,483.55	
	3/1/2035	8,385	0.500%	462.73	8,847.73	636.36	-	9,484.09	
	6/1/2035	8,395	0.500%	452.25	8,847.25	636.36	-	9,483.61	
	9/1/2035	8,406	0.500%	441.75	8,847.75	636.36	-	9,484.11	
	12/1/2035	8,416	0.500%	431.24	8,847.24	636.36	-	9,483.60	
	3/1/2036	8,427	0.500%	420.72	8,847.72	636.36	-	9,484.08	
	6/1/2036	8,437	0.500%	410.19	8,847.19	636.36	-	9,483.55	
	9/1/2036	8,448	0.500%	399.64	8,847.64	636.36	-	9,484.00	
	12/1/2036	8,459	0.500%	389.08	8,848.08	636.36	-	9,484.44	
	3/1/2037	8,469	0.500%	378.51	8,847.51	636.36	-	9,483.87	
	6/1/2037	8,480	0.500%	367.92	8,847.92	636.36	-	9,484.28	
	9/1/2037	8,490	0.500%	357.32	8,847.32	636.36	-	9,483.68	
	12/1/2037	8,501	0.500%	346.71	8,847.71	636.36	-	9,484.07	
	3/1/2038	8,512	0.500%	336.09	8,848.09	636.36	-	9,484.45	
	6/1/2038	8,522	0.500%	325.45	8,847.45	636.36	-	9,483.81	
	9/1/2038	8,533	0.500%	314.79	8,847.79	636.36	-	9,484.15	
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Net Debt Service								
Jefferson County PSD								
DWTRF								
$985,350								
0.5% Interest Rate								
0.5% Administrative Fee								
30 Years								
	Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
	12/1/2038	8,543	0.500%	304.13	8,847.13	636.36	-	9,483.49
	3/1/2039	8,554	0.500%	293.45	8,847.45	636.36	-	9,483.81
	6/1/2039	8,565	0.500%	282.76	8,847.76	636.36	-	9,484.12
	9/1/2039	8,576	0.500%	272.05	8,848.05	636.36	-	9,484.41
	12/1/2039	8,586	0.500%	261.33	8,847.33	636.36	-	9,483.69
	3/1/2040	8,597	0.500%	250.60	8,847.60	636.36	-	9,483.96
	6/1/2040	8,608	0.500%	239.85	8,847.85	636.36	-	9,484.21
	9/1/2040	8,619	0.500%	229.09	8,848.09	636.36	-	9,484.45
	12/1/2040	8,629	0.500%	218.32	8,847.32	636.36	-	9,483.68
	3/1/2041	8,640	0.500%	207.53	8,847.53	636.36	-	9,483.89
	6/1/2041	8,651	0.500%	196.73	8,847.73	636.36	-	9,484.09
	9/1/2041	8,662	0.500%	185.92	8,847.92	636.36	-	9,484.28
	12/1/2041	8,673	0.500%	175.09	8,848.09	636.36	-	9,484.45
	3/1/2042	8,683	0.500%	164.25	8,847.25	636.36	-	9,483.61
	6/1/2042	8,694	0.500%	153.39	8,847.39	636.36	-	9,483.75
	9/1/2042	8,705	0.500%	142.53	8,847.53	636.36	-	9,483.89
	12/1/2042	8,716	0.500%	131.65	8,847.65	636.36	-	9,484.01
	3/1/2043	8,727	0.500%	120.75	8,847.75	636.36	-	9,484.11
	6/1/2043	8,738	0.500%	109.84	8,847.84	636.36	-	9,484.20
	9/1/2043	8,749	0.500%	98.92	8,847.92	636.36	-	9,484.28
	12/1/2043	8,760	0.500%	87.98	8,847.98	636.36	-	9,484.34
	3/1/2044	8,771	0.500%	77.03	8,848.03	636.36	-	9,484.39
	6/1/2044	8,782	0.500%	66.07	8,848.07	636.36	-	9,484.43
	9/1/2044	8,793	0.500%	55.09	8,848.09	636.36	-	9,484.45
	12/1/2044	8,803	0.500%	44.10	8,847.10	636.36	-	9,483.46
	3/1/2045	8,814	0.500%	33.10	8,847.10	636.36	-	9,483.46
	6/1/2045	8,826	0.500%	22.08	8,848.08	636.36	-	9,484.44
	9/1/2045	8,837	0.500%	11.05	8,848.05	636.36	-	9,484.41
		985,350		76,362.89	1,061,712.89	76,363.20	35,392.17	1,173,468.26

Notes:

Estimated Monthly Net Debt Service Payments:

$3,456.42 from 9/1/2015 through 8/1/2025 (based on maximum quarterly payment of $10,369.26 and monthly payment rounded up to the nearest cent)

$3,161.49 from 9/1/2025 through 8/1/2045 (based on maximum quarterly payment of $9,484.45 and monthly payment rounded up to the nearest cent)

Admin Fee calculated based on percent of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

(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 27, 2018

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1988 in the aggregate principal amount of $425,767 (the "District Series 1988 B Bonds") and the re-designation and replacement of the District Series 1988 B Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water development Authority), dated December 27, 2018 (the "Series 2018 A-1 Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a supplemental loan agreement dated April 29, 1988, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Jefferson County Public Service District and the West Virginia Water Development Authority (the "Authority"), and (ii) the assumption by the Issuer of the District Series 1988 B Bonds and the replacement of the District Series 1988 B Bonds with the Series 2018 A-1 Bonds and the delivery of the Series 2018 A-1 Bonds to the Authority. The Series 2018 A-1 Bonds are in the form of one bond, bearing interest at the rate of 0.0%, registered to the Authority, with principal payable annually on October 1 of each year, beginning October 1, 1990 to and including October 1, 2028 all as set forth in "Exhibit A" attached to the Series 2018 A-1 Bonds and made a part of the Series 2018 A-1 Bonds.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2018 A-1 Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Series 2018 A-1 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 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

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 operate and maintain the System, to adopt or enact the Bond Legislation and to assume and replace the District Series 1988 B Bonds with the Series 2018 A-1 Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2018 A-1 Bonds have been duly authorized, assumed, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

(xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

(xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

(xiv) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

(xvii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

(xviii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

(xix) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

(xx) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

(xxi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

(xxii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

(xxiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

(xxiv) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-2 Bomds");

(xxv) Combined Utility System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), December 27, 2018 (the "Series 2018 A-3 Bonds");

(xxvi) Combined Utility System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-4 Bonds");

(xxvii) Combined Utility System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-5 Bonds");

(xxviii) Combined Utility System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-6 Bonds"); and

(xxix) Combined Utility System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), dated December 27, 2018 (the "Series 2018 A-7 Bonds"); and

(xxx) Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the original aggregate principal amount of $3,065,000 (the "Series 2018 B Bonds").

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, the acquisition of the Jefferson County Public Service District water and sewer systems by the City and the assumption, redesignation and replacement of the District Series 1988 B Bonds with the Series 2018 A-1 Bonds of the City does not affect either (a) the excludability of the interest on the Series 2018 A-1 Bonds from gross income of the owners thereof for federal income tax

purposes pursuant to the Internal Revenue Code of 1986, as amended, and the regulations thereunder (collectively, the "Code"); (b) the determination that the interest on the Series 2018 A-1 Bonds is not an item of tax preference for the purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code; or (c) the exemption of the Series 2018 A-1 Bonds from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Series 2018 A-1 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

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 27, 2018

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 5, 1998 in the aggregate principal amount of $599,089 (the "District Series 1998 B Bonds") and the re-designation and replacement of the District Series 1998 B Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-2 Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a loan agreement dated June 2, 1998, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Jefferson County Public Service District , the West Virginia Department of Environmental Protection and the West Virginia Water Development Authority (the "Authority"), and (ii) the assumption by the Issuer of the District Series 1998 B Bonds and the replacement of the District Series 1998 B Bonds with the Series 2018 A-2 Bonds and the delivery of the Series 2018 A-2 Bonds to the Authority. The Series 2018 A-2 Bonds are in the form of one bond, bearing interest at the rate of 0.0%, registered to the Authority, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning September 1, 1999 to and including June 1, 2019 all as set forth in "Exhibit A" attached to the Series 2018 A-2 Bonds and made a part of the Series 2018 A-2 Bonds. The SRF Administrative Fee of 1.0% shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing June 1, 2019, as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2018 A-2 Bonds.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2018 A-2 Bonds are authorized and

issued, and the Loan Agreement has been undertaken. The Series 2018 A-2 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 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

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 operate and maintain the System, to adopt or enact the Bond Legislation and to assume and replace the District Series 1988 B Bonds with the Series 2018 A-2 Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2018 A-2 Bonds have been duly authorized, assumed, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

(xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

(xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

(xiv) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

(xvii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

(xviii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

(xix) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

(xx) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

(xxi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

(xxii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

(xxiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

(xxiv) Combined Utility System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), dated December 27, 2018 (the "Series 2018 A-1 Bomds");

(xxv) Combined Utility System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), dated December 27, 2018 (the "Series 2018 A-3 Bonds");

(xxvi) Combined Utility System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-4 Bonds");

(xxvii) Combined Utility System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-5 Bonds");

(xxviii) Combined Utility System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-6 Bonds"); and

(xxix) Combined Utility System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), dated December 27, 2018 (the "Series 2018 A-7 Bonds"); and

(xxx) Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the original aggregate principal amount of $3,065,000 (the "Series 2018 B Bonds").

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, the acquisition of the Jefferson County Public Service District water and sewer systems by the City and the assumption, redesignation and replacement of the District Series 1998 B Bonds with the Series 2018 A-2 Bonds of the City does not affect either (a) the excludability of the interest on the Series 2018 A-2 Bonds from gross income of the owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, and the regulations thereunder (collectively, the "Code"); (b) the determination that the interest on the Series 2018 A-2 Bonds is not an item of tax preference for the purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code; or (c) the exemption of the Series 2018 A-2 Bonds from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Series 2018 A-2 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-2, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

144220.00043

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 27, 2018

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & JobsDevelopment Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998 in the aggregate principal amount of $662,039 (the "District Series 1998 C Bonds") and the re-designation and replacement of the District Series 1998 C Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), dated December 27, 2018 (the "Series 2018 A-3 Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a loan agreement dated June 25, 1998, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Jefferson County Public Service District and the West Virginia Water Development Authority (the "Authority"), and (ii) the assumption by the Issuer of the District Series 1998 C Bonds and the replacement of the District Series 1998 C Bonds with the Series 2018 A-3 Bonds and the delivery of the Series 2018 A-3 Bonds to the Authority. The Series 2018 A-3 Bonds are in the form of one bond, bearing interest at the rate of 1.0%, registered to the Authority, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning September 1, 2019 to and including June 1, 2038 all as set forth in "Exhibit A" attached to the Series 2018 A-3 Bonds and made a part of the Series 2018 A-3 Bonds.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2018 A-3 Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Series 2018 A-3 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 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

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 operate and maintain the System, to adopt or enact the Bond Legislation and to assume and replace the District Series 1988 B Bonds with the Series 2018 A-3 Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2018 A-3 Bonds have been duly authorized, assumed, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 C (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 1998 C Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

(xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

(xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

(xiv) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

(xvii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

(xviii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

(xix) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

(xx) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

(xxi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

(xxii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds"),;

(xxiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

(xxiv) Combined Utility System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), dated December 27, 2018 (the "Series 2018 A-1 Bomds");

(xxv) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-2 Bonds");

(xxvi) Combined Utility System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-4 Bonds");

(xxvii) Combined Utility System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-5 Bonds");

(xxviii) Combined Utility System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-6 Bonds"); and

(xxix) Combined Utility System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), December 27, 2018 (the "Series 2018 A-7 Bonds"); and

(xxx) Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the original aggregate principal amount of $3,065,000 (the "Series 2018 B Bonds").

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, the acquisition of the Jefferson County Public Service District water and sewer

systems by the City and the assumption, redesignation and replacement of the District Series 1998 C Bonds with the Series 2018 A-3 Bonds of the City does not affect either (a) the excludability of the interest on the Series 2018 A-3 Bonds from gross income of the owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, and the regulations thereunder (collectively, the "Code"); (b) the determination that the interest on the Series 2018 A-3 Bonds is not an item of tax preference for the purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code; or (c) the exemption of the Series 2018 A-3 Bonds from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Series 2018 A-3 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-3, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

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 27, 2018

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999 in the aggregate principal amount of $378,363 (the "District Series 1999 A Bonds") and the re-designation and replacement of the District Series 1999 A Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-4 Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a bond purchase agreement dated November 17, 1999, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Jefferson County Public Service District , the West Virginia Department of Environmental Protection and the West Virginia Water Development Authority (the "Authority"), and (ii) the assumption by the Issuer of the District Series 1999 A Bonds and the replacement of the District Series 1999 A Bonds with the Series 2018 A-4 Bonds and the delivery of the Series 2018 A-4 Bonds to the Authority. The Series 2018 A-4 Bonds are in the form of one bond, bearing interest at the rate of 0.0%, registered to the Authority, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning June 1, 2000 to and including March 1, 2030 all as set forth in "Exhibit A" attached to the Series 2018 A-4 Bonds and made a part of the Series 2018 A-4 Bonds. The SRF Administrative Fee of 0.5% shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing June 1, 2000 as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2018 A-4 Bonds.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2018 A-4 Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Series 2018 A-4 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 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

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 operate and maintain the System, to adopt or enact the Bond Legislation and to assume and replace the District Series 1988 B Bonds with the Series 2018 A-4 Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2018 A-4 Bonds have been duly authorized, assumed, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

(xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

(xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

(xiv) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

(xvii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

(xviii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

(xix) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

(xx) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

(xxi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

(xxii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

(xxiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

(xxiv) Combined Utility System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), dated December 27, 2018 (the "Series 2018 A-1 Bomds");

(xxv) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-2 Bonds");

(xxvi) Combined Utility System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), dated December 27, 2018 (the "Series 2018 A-3 Bonds");

(xxvii) Combined Utility System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-5 Bonds");

(xxviii) Combined Utility System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-6 Bonds"); and

(xxix) Combined Utility System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), dated December 27, 2018 (the "Series 2018 A-7 Bonds"); and

(xxx) Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the original aggregate principal amount of $3,065,000 (the "Series 2018 B Bonds").

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, the acquisition of the Jefferson County Public Service District water and sewer systems by the City and the assumption, redesignation and replacement of the District Series 1999 A Bonds with the Series 2018 A-4 Bonds of the City does not affect either (a) the excludability of the interest on the Series 2018 A-4 Bonds from gross income of the owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, and the regulations thereunder (collectively, the "Code"); (b) the determination that the interest on the Series 2018 A-4 Bonds is not an item of tax preference for the purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code; or (c) the exemption of the Series 2018 A-4 Bonds from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Series 2018 A-4 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-4, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

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 27, 2018

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000 in the aggregate principal amount of $1,154,889 (the "District Series 2000 A Bonds") and the re-designation and replacement of the District Series 2000 A Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-5 Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a bond purchase agreement dated June 1, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Jefferson County Public Service District , the West Virginia Department of Environmental Protection and the West Virginia Water Development Authority (the "Authority"), and (ii) the assumption by the Issuer of the District Series 2000 A Bonds and the replacement of the District Series 2000 A Bonds with the Series 2018 A-5 Bonds and the delivery of the Series 2018 A-5 Bonds to the Authority. The Series 2018 A-5 Bonds are in the form of one bond, bearing interest at the rate of 0.0%, registered to the Authority, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning March 1, 2002 to and including December 1, 2031 all as set forth in "Exhibit A" attached to the Series 2018 A-5 Bonds and made a part of the Series 2018 A-5 Bonds. The SRF Administrative Fee of 0.5% shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing March 1, 2002 as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2018 A-5 Bonds.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2018 A-5 Bonds are authorized and

issued, and the Loan Agreement has been undertaken. The Series 2018 A-5 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 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

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 operate and maintain the System, to adopt or enact the Bond Legislation and to assume and replace the District Series 1988 B Bonds with the Series 2018 A-5 Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2018 A-5 Bonds have been duly authorized, assumed, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

(xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

(xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

(xiv) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

(xvii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

(xviii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

(xix) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

(xx) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds")

(xxi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

(xxii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

(xxiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

(xxiv) Combined Utility System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), dated December 27, 2018 (the "Series 2018 A-1 Bomds");

(xxv) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-2 Bonds");

(xxvi) Combined Utility System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), dated December 27, 2018 (the "Series 2018 A-3 Bonds");

(xxvii) Combined Utility System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-4 Bonds");

(xxviii) Combined Utility System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-6 Bonds"); and

(xxix) Combined Utility System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), dated December 27, 2018 (the "Series 2018 A-7 Bonds"); and

(xxx) Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the original aggregate principal amount of $3,065,000 (the "Series 2018 B Bonds").

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, the acquisition of the Jefferson County Public Service District water and sewer systems by the City and the assumption, redesignation and replacement of the District Series 2000 A Bonds with the Series 2018 A-5 Bonds of the City does not affect either (a) the excludability of the interest on the Series 2018 A-5 Bonds from gross income of the owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, and the regulations thereunder (collectively, the "Code"); (b) the determination that the interest on the Series 2018 A-5 Bonds is not an item of tax preference for the purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code; or (c) the exemption of the Series 2018 A-5 Bonds from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Series 2018 A-5 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-5, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

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 27, 2018

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008 in the aggregate principal amount of $2,005,000 (the "District Series 2008 A Bonds") and the re-designation and replacement of the District Series 2008 A Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-6 Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a bond purchase agreement dated June 2, 2008, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Jefferson County Public Service District , the West Virginia Department of Environmental Protection and the West Virginia Water Development Authority (the "Authority"), and (ii) the assumption by the Issuer of the District Series 2008 A Bonds and the replacement of the District Series 2008 A Bonds with the Series 2018 A-6 Bonds and the delivery of the Series 2018 A-6 Bonds to the Authority. The Series 2018 A-6 Bonds are in the form of one bond, bearing interest at the rate of 0.0%, registered to the Authority, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning March 1, 2009 to and including December 1, 2038 all as set forth in "Exhibit A" attached to the Series 2018 A-6 Bonds and made a part of the Series 2018 A-6 Bonds. The SRF Administrative Fee of 0.5% shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing March 1, 2009, as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2018 A-6 Bonds.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2018 A-6 Bonds are authorized and

issued, and the Loan Agreement has been undertaken. The Series 2018 A-6 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 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

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 operate and maintain the System, to adopt or enact the Bond Legislation and to assume and replace the District Series 1988 B Bonds with the Series 2018 A-6 Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2018 A-6 Bonds have been duly authorized, assumed, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

(xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

(xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

(xiv) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

(xvii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

(xviii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

(xix) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

(xx) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

(xxi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

(xxii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

(xxiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

(xxiv) Combined Utility System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), dated December 27, 2018, (the "Series 2018 A-1 Bomds");

(xxv) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-2 Bonds");

(xxvi) Combined Utility System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), dated December 27, 2018, (the "Series 2018 A-3 Bonds");

(xxvii) Combined Utility System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), dated December 27, 2018, (the "Series 2018 A-4 Bonds");

(xxviii) Combined Utility System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), dated December 27, 2018, (the "Series 2018 A-5 Bonds"); and

(xxix) Combined Utility System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program), dated December 27, 2018, (the "Series 2018 A-7 Bonds"); (collectively, the "Series 2018 Bonds"); and

(xxx) Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the original aggregate principal amount of $3,065,000 (the "Series 2018 B Bonds").

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, the acquisition of the Jefferson County Public Service District water and sewer systems by the City and the assumption, redesignation and replacement of the District Series 2008 A Bonds with the Series 2018 A-6 Bonds of the City does not affect either (a) the excludability of the interest on the Series 2018 A-6 Bonds from gross income of the owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, and the regulations thereunder (collectively, the "Code"); (b) the determination that the interest on the Series 2018 A-6 Bonds is not an item of tax preference for the purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code; or (c) the exemption of the Series 2018 A-6 Bonds from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Series 2018 A-6 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-6, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

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 27, 2018

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated April 17, 2014 in the aggregate principal amount of $985,350 (the "District Series 2014 A Bonds") and the re-designation and replacement of the District Series 2014 A Bonds with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia Water SRF Program), dated December 27, 2018 (the "Series 2018 A-7 Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a loan agreement dated April 17, 2014, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Jefferson County Public Service District and the West Virginia Water Development Authority (the "Authority"), and (ii) the assumption by the Issuer of the District Series 2014 A Bonds and the replacement of the District Series 2014 A Bonds with the Series 2018 A-7 Bonds and the delivery of the Series 2018 A-7 Bonds to the Authority. The Series 2018 A-7 Bonds are in the form of one bond, bearing interest at the rate of 0.5%, registered to the Authority, with principal payable and interest quarterly on March 1, June 1, September 1 and December 1 of each year, beginning December 1, 2015 to and including September 1, 2045 all as set forth in "Exhibit A" attached to the Series 2018 A-7 Bonds and made a part of the Series 2018 A-7 Bonds. The Administrative Fee of 0.5% shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing December 1, 2015 as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2018 A-7 Bonds.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2018 A-7 Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Series 2018 A-7 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 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 cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

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 operate and maintain the System, to adopt or enact the Bond Legislation and to assume and replace the District Series 1988 B Bonds with the Series 2018 A-7 Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2018 A-7 Bonds have been duly authorized, assumed, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

(xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

(xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

(xiv) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

(xvii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

(xviii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

(xix) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

(xx) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

(xxi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

(xxii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

(xxiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

(xxiv) Combined Utility System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), dated December 27, 2018, (the "Series 2018 A-1 Bomds");

(xxv) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), dated December 27, 2018 (the "Series 2018 A-2 Bonds");

(xxvi) Combined Utility System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), dated December 27, 2018, (the "Series 2018 A-3 Bonds");

(xxvii) Combined Utility System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), dated December 27, 2018, (the "Series 2018 A-4 Bonds");

(xxviii) Combined Utility System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), dated December 27, 2018, (the "Series 2018 A-5 Bonds"); and

(xxix) Combined Utility System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), dated December 27, 2018, (the "Series 2018 A-6 Bonds"); and

(xxx) Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the original aggregate principal amount of $3,065,000 (the "Series 2018 B Bonds").

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, the acquisition of the Jefferson County Public Service District water and sewer systems by the City and the assumption, redesignation and replacement of the District Series 2014 A Bonds with the Series 2018 A-7 Bonds of the City does not affect either (a) the excludability of the interest on the Series 2018 A-7 Bonds from gross income of the owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, and the regulations thereunder (collectively, the "Code"); (b) the determination that the interest on the Series 2018 A-7 Bonds is not an item of tax preference for the purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code; or (c) the exemption of the Series 2018 A-7 Bonds from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Series 2018 A-7 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-7, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,



STEPTOE & JOHNSON PLLC

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 27, 2018

City of Charles Town

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charlesto, West Virginia

Ladies and Gentlemen:

We are counsel to the City of Charles Town in Jefferson County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 1988 B Bond, dated April 29, 1988, by and

between the Jefferson County Public Service District (the "District") and the West Virginia Water Development Authority (the "Authority"); a loan agreement for the Series 1998 B Bonds, dated June 2, 1998 by and among the District, the West Virginia Department of Environmental Protection (the "DEP") and the Authority; a loan agreement for the Series 1998 C Bonds, dated June 25, 1998 between the District and the Authority; a bond purchase agreement for the Series 1999 A Bonds, dated November 17, 1999 by and among the District, the DEP and the Authority; a bond purchase agreement for the Series 2000 A Bonds, dated June 1, 2000 by and among the District, the DEP and the Authority; a bond purchase agreement for the Series 2008 A Bonds, dated June 2, 2008 by and among the District, the DEP and the Authority; and a loan agreement for the Series 2014 A Bonds, dated April 17, 2014 by and between the District and the Authority (collectively, the "Loan Agreements"), a Bond Ordinance duly enacted by the Issuer on September 17, 2018, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 3, 2018 (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 and the Loan Agreements 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, Clerk and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Loan Agreements have been assumed by Issuer and, constitute valid and binding agreements of the Issuer enforceable in accordance with the terms.

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

4. The assumption, replacement and delivery of the Series 2018 Bonds, the Loan Agreements and the consummation of the transactions contemplated by the Bonds 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 assumption and replacement of the Bonds, 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 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 sewer rate ordinance enacted by the City of Charles Town (the "Issuer") on May 1, 2018 and the water rate ordinance enacted October 2, 2017.

6. The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on June 26, 2018 in Case No. 17-0915-PSWD-PC, approving the acquisition of the assets of the Jefferson County Public Service District. 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 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 Agreements, the Bond Legislation, the operation of the System, the validity of the Bonds or the collection or pledge of the Gross Revenues therefor.

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

Sincerely,

STEPTOE & JOHNSON PLLC

City of Charles Town

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
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. LOAN AGREEMENTS
10. RATES
11. INSURANCE
12. SIGNATURES AND DELIVERY
13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
14. PUBLIC SERVICE COMMISSION ORDER
15. SPECIMEN BONDS
16. CONFLICT OF INTEREST
17. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CLERK of the City of Charles Town in Jefferson County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER hereby certifies on this 27th day of December, 2018 in connection with the Issuer's assumption of the Jefferson County Public Service District's:

(i) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767;

(ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089;

(iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039;

(iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363;

(v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the aggregate principal amount of $1,154,889;

(vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the aggregate principal amount of $2,005,000; and

(vii) Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the aggregate principal amount of $985,350 (collectively, the "District Bonds");

and respective redesignation as the City of Charles Town:

(i) Combined Utility System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority;

(ii) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program);

(iii) Combined Utility System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund);

(iv) Combined Utility System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program)

(v) Combined Utility System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program);

(vi) Combined Utility System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program); and

(vii) Combined Utility System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program)" (collectively, the "Series 2018 Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted on September 17, 2018, and the Supplemental Resolution duly adopted December 3, 2018 (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 assumption and re-designation or delivery of the Series 2018 Bonds, 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 2018 Bonds, or any proceedings of the Issuer taken with respect to the assumption and re-designation of the Series 2018 Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Series 2018 Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization of the assumption and re-designation of the Series 2018 Bonds, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Series 2018 Bonds.

3. GOVERNMENTAL APPROVALS: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition of the District, the assumption of the District Bonds and the operation of the have been obtained and 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 assumption by the Issuer of the Loan Agreements and the Issuer has met all conditions prescribed in the Loan Agreements.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2018 Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1. Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

2. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

3. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

4. Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

5. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

6. Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

7. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

8. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

9. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

10. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

11. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

12. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

13. Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

14. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

15. Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

16. Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

17. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

18. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

19. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

20. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

21. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

22. Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds");

23. Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds"); and

24. Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued simultaneously herewith in the (the "Series 2018 B Bonds")

The Series 2018 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent, if required, of the registered owners of the Prior Bonds to the assumption of the District Bonds and replacing the District Bonds with the Series 2018 Bonds on a parity with the Prior Bonds. The Series 2013 B Bonds, Series 2014 C Bonds, Series 2014 D Bonds, Series 2014 E Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2016 A Bonds and Series 2016 B Bonds do not require consent Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which are secured by revenues or assets of the System.

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 Agreements

Public Service Commission Orders

City Charter

Oaths of Office of Officers and Councilmembers

Water Rate Ordinance

Sewer Rate Ordinance

Minutes on Enactment of Bond Ordinance and Adoption of Supplemental Resolution

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

Prior Ordinances

Consent of WDA

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "City of Charles Town". The Issuer is a municipal corporation in Jefferson 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, and six (6) 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
Ann Paonessa, Councilmember	July 1, 2015	June 30, 2019
Chet Hines, Councilmember	July 1, 2017	June 30, 2021
Bob Trainor, Councilmember	July 1, 2015	June 30, 2019
Michael Tolbert, Councilmember	July 1, 2015	June 30, 2019
Nick Zaglifa, Councilmember	July 1, 2015	June 30, 2019
Michael W. George, Councilmember	July 1, 2017	June 30, 2021
Mike Brittingham, Councilmember	July 1, 2017	June 30, 2021
Todd Coyle, Councilmember	July 1, 2017	June 30, 2021
Scott Rogers, Mayor	July 1, 2017	June 30, 2021

The duly appointed Counsel to the Issuer is Steptoe & Johnson PLLC, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the System have been acquired 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 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 2018 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 assumption of the District Bonds, the replacement of the District Bonds with the Series 2018 Bonds and the operation of 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. LOAN AGREEMENTS: As of the date hereof, the Issuer has assumed the (i) loan agreement for the Series 1988 B Bond, dated April 29, 1988, by and between the Jefferson County Public Service District (the "District") and the West Virginia Water Development Authority (the "Authority"); (ii) loan agreement for the Series 1998 B Bonds, dated June 2, 1998 by and among the

District, the West Virginia Department of Environmental Protection (the "DEP") and the Authority; (iii) loan agreement for the Series 1998 C Bonds, dated June 25, 1998 between the District and the Authority; (iv) bond purchase agreement for the Series 1999 A Bonds, dated November 17, 1999 by and among the District, the DEP and the Authority; (v) bond purchase agreement for the Series 2000 A Bonds, dated June 1, 2000 by and among the District, the DEP and the Authority; (vi) bond purchase agreement for the Series 2008 A Bonds, dated June 2, 2008 by and among the District, the DEP and the Authority; and (vii) loan agreement for the Series 2014 A Bonds, dated April 17, 2014 by and between the District and the Authority (collectively, the "Loan Agreements");

10. RATES: The Issuer has duly enacted a sewer rate ordinance on August 6, 2018, and a water rate ordinance enacted August 6, 2018 setting rates and charges of the System. Such rates are currently in full force and effect.

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

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2018 Bonds of the aforesaid issue, consisting upon original assumption of the District Bonds and replacing each District Bond with a single Bond, dated the date hereof, by his or her manual signature, and the undersigned Clerk did officially cause the official seal of the Issuer to be affixed upon said Series 2018 Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2018 Bonds to a representative of the Authority as the original purchaser of the Series 2018 Bonds under the Loan Agreements. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. 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 *Spirit of Jefferson,* a qualified newspaper of general circulation in the City of Charles Town, 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 assumption of the Series 2018 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 17th day of September, 2018 at 7:30 p.m., at the Charles Town City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the 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.

14. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on June 26, 2018, in Case No. 17-0915-PSWD-PC, approving the acquisition of the Assets of the Jefferson County Public Service District. Such order remains in full force and effect.

15. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2018 Bonds.

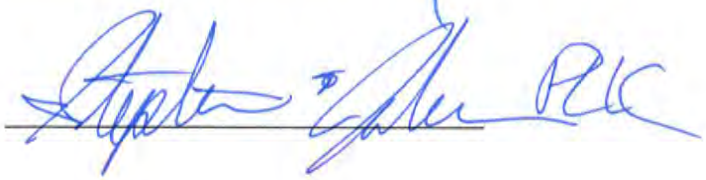
16. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2018 Bonds or the Bond Legislation.

17. 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 City of Charles Town on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	Clerk
	Counsel to Issuer

144220.00043

J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

December 27, 2018

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program);

and

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 B
(Bank Qualified)

The City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance enacted by the City of Charles Town (the "Issuer") on August 6, 2018 and the water rate ordinance enacted August 6, 2018, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by the Issuer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and 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: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water

164 Lina Lane ▪ Martinsburg, WV 25405
304/263-9299 ▪ Fax 304/267-7032 ▪ e-mail: jckunkle@jckunkleassociates.com
MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Development Authority); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program); and (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued in the original aggregate principal amount of $3,065,000 (collectively, the "Series 2018 Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's:

1. Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

2. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

3. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

4. Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

5. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

6. Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

7. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

8. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

9. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

10. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

11. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

12. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

13. Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

14. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

15. Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 B (Tax-Exempt), dated October 1, 2013, issued in the original aggregate principal amount of $2,970,000 (the "Series 2013 B Bonds");

16. Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds");

17. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 C (AMT), dated October 31, 2014, issued in the original aggregate principal amount of $820,000 (the "Series 2014 C Bonds");

18. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 D (Taxable), dated October 31, 2014, issued in the original aggregate principal amount of $1,445,000 (the "Series 2014 D Bonds");

19. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2014 E (Bank Qualified), dated October 31, 2014, issued in the original aggregate principal amount of $1,425,000 (the "Series 2014 E Bonds");

20. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $2,750,000 (the "Series 2015 A Bonds");

21. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated November 19, 2015, issued in the original aggregate principal amount of $4,355,000 (the "Series 2015 B Bonds");

22. Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated March 17, 2016, issued in the original aggregate principal amount of $7,695,000 (the "Series 2016 A Bonds"); and

23. Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 B (Tax-Exempt), dated August 18, 2016, issued in the original aggregate principal amount of $3,895,000 (the "Series 2016 B Bonds") (collectively referred to as the "Prior Bonds").

It is my further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2018 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the assumption and re-designation of the Series 2018 Bonds, if any, 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 Series 2018 Bonds and the Prior Bonds.

J. C. Kunkle & Associates, P.C.

Martinsburg, West Virginia

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 12/27/2018

ISSUE: City of Charles Town

Combined Waterworks & Sewerage System Revenue Bonds, Series 2018 A-1 (WDA)

ADDRESS: 101 E. Washington Street, Charles Town, WV 25414 COUNTY: Jefferson

PURPOSE OF ISSUE: assumption and replacement

_____ Refunding Refunding issue(s) dated: _____

ISSUE DATE: December 27, 2018 RATE: _____ ADMIN FEE NA

ISSUE AMOUNT: $425,767

1st DEBT SERVICE DUE: October 1, 1990 1st PRINCIPAL DUE: October 1, 1990

1st DEBT SERVICE AMOUNT: $ 10,917.00 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: John Stump, Esquire Contact Name: Samme Gee

Phone: 304.353.8196 Phone: 304.340.1318

Email: john.stump@steptoe-johnson.com Email: sgee@jacksonkelly.com

CLOSING BANK: *United Bank* *ESCROW TRUSTEE:* _____

Contact Name: Thomas Provenzano Contact Name: _____

Phone: 304.348.8356 Phone: _____

Email: thomas.provenzano@bankwithunited.com Email: _____

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVWDA*

Contact Name: Kristen M. Stolipher Contact Name: Sheila Miller

Title: Assistant Utility Manager Title: CFO

Phone: 304.724.7080 Phone: 304.414.6500

Email: kristen@charlestownutilities.us Email: smiller@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: _____

By: Wire _____ Capitalized Interest: _____

Check _____ Reserve Account: _____

In-house Transfer _____ Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee: _____

By: Wire _____ To Issuer: _____

Check _____ To Cons.Invest Fund: _____

IGT _____ To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____ CUSIP: _____

ACCOUNT NUMBER: _____ PROGRAM NUMBER: _____

NOTES: Charles Town assumed Jefferson Co PSD Sewer RB, Series 1988 B & redesignated & replaced them as City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (WVWDA).

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: _____ Transfers Required: _____

1988B → A-1

ANALYSIS OF 7.50% BORROWING COST FOR LOCAL ISSUER

----------19__ SERIES A BONDS ----------

	ZERO COUPON BONDS
1988	
1989	
1990	10,917.00
1991	10,917.00
1992	10,917.00
1993	10,917.00
1994	10,917.00
1995	10,917.00
1996	10,917.00
1997	10,917.00
1998	10,917.00
1999	10,917.00
2000	10,917.00
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2019	10,917.00
2020	10,917.00
2021	10,917.00
2022	10,917.00
2023	10,917.00
2024	10,917.00
2025	10,917.00
2026	10,917.00
2027	10,917.00
2028	10,921.00
	425,767.00

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 12/27/2018

ISSUE: City of Charles Town
Combined Waterworks & Sewerage System Revenue Bonds, Series 2018 A-2 (WDA)

ADDRESS: 101 E. Washington Street, Charles Town, WV 25414 COUNTY: Jefferson

PURPOSE OF ISSUE: assumption and replacement
_____ Refunding Refunding issue(s) dated: _____

ISSUE DATE: December 27, 2018 RATE: 1.00% ADMIN FEE NA

ISSUE AMOUNT: $599,089

1st DEBT SERVICE DUE: September 1, 1999 1st PRINCIPAL DUE: September 1, 1999

1st DEBT SERVICE AMOUNT: $ 7,489.00 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: John Stump, Esquire Contact Name: Samme Gee

Phone: 304.353.8196 Phone: 304.340.1318

Email: john.stump@steptoe-johnson.com Email: sgee@jacksonkelly.com

CLOSING BANK: *United Bank* *ESCROW TRUSTEE:* _____

Contact Name: Thomas Provenzano Contact Name: _____

Phone: 304.348.8356 Phone: _____

Email: thomas.provenzano@bankwithunited.com Email: _____

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVWDA*

Contact Name: Kristen M. Stolipher Contact Name: Sheila Miller

Title: Assistant Utility Manager Title: CFO

Phone: 304.724.7080 Phone: 304.414.6500

Email: kristen@charlestownutilities.us Email: smiller@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: _____

By: Wire _____ Capitalized Interest: _____

Check _____ Reserve Account: _____

In-house Transfer _____ Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee: _____

By: Wire _____ To Issuer: _____

Check _____ To Cons.Invest Fund: _____

IGT _____ To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____ CUSIP: _____

ACCOUNT NUMBER: _____ PROGRAM NUMBER: _____

NOTES: Charles Town assumed Jefferson Co PSD Sewer RB, Series 1998 B & redesignated & replaced them as City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (WVWDA).

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: _____ Transfers Required: _____

1998B → A-2

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Jefferson County PSD, WV
SRF Fund Loan
$599,089, 20 Years, 0% Interest, 1% Admin. Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/1999	-	-	-
9/01/1999	7,489.00	-	7,489.00
12/01/1999	7,489.00	-	7,489.00
3/01/2000	7,489.00	-	7,489.00
6/01/2000	7,489.00	-	7,489.00
9/01/2000	7,489.00	-	7,489.00
12/01/2000	7,489.00	-	7,489.00
3/01/2001	7,489.00	-	7,489.00
6/01/2001	7,489.00	-	7,489.00
9/01/2001	7,489.00	-	7,489.00
12/01/2001	7,489.00	-	7,489.00
3/01/2002	7,489.00	-	7,489.00
6/01/2002	7,489.00	-	7,489.00
9/01/2002	7,489.00	-	7,489.00
12/01/2002	7,489.00	-	7,489.00
3/01/2003	7,489.00	-	7,489.00
6/01/2003	7,489.00	-	7,489.00
9/01/2003	7,489.00	-	7,489.00
12/01/2003	7,489.00	-	7,489.00
3/01/2004	7,489.00	-	7,489.00
6/01/2004	7,489.00	-	7,489.00
9/01/2004	7,489.00	-	7,489.00
12/01/2004	7,489.00	-	7,489.00
3/01/2005	7,489.00	-	7,489.00
6/01/2005	7,489.00	-	7,489.00
9/01/2005	7,489.00	-	7,489.00
12/01/2005	7,489.00	-	7,489.00
3/01/2006	7,489.00	-	7,489.00
6/01/2006	7,489.00	-	7,489.00
9/01/2006	7,489.00	-	7,489.00
12/01/2006	7,489.00	-	7,489.00
3/01/2007	7,489.00	-	7,489.00
6/01/2007	7,489.00	-	7,489.00
9/01/2007	7,489.00	-	7,489.00
12/01/2007	7,489.00	-	7,489.00
3/01/2008	7,489.00	-	7,489.00
6/01/2008	7,489.00	-	7,489.00
9/01/2008	7,489.00	-	7,489.00
12/01/2008	7,489.00	-	7,489.00
3/01/2009	7,489.00	-	7,489.00
6/01/2009	7,489.00	-	7,489.00
9/01/2009	7,489.00	-	7,489.00
12/01/2009	7,489.00	-	7,489.00
3/01/2010	7,489.00	-	7,489.00
6/01/2010	7,489.00	-	7,489.00

Jefferson County PSD, WV
SRF Fund Loan
$599,089, 20 Years, 0% Interest, 1% Admin. Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2010	7,489.00	-	7,489.00
12/01/2010	7,489.00	-	7,489.00
3/01/2011	7,489.00	-	7,489.00
6/01/2011	7,489.00	-	7,489.00
9/01/2011	7,489.00	-	7,489.00
12/01/2011	7,488.00	-	7,488.00
3/01/2012	7,488.00	-	7,488.00
6/01/2012	7,488.00	-	7,488.00
9/01/2012	7,488.00	-	7,488.00
12/01/2012	7,488.00	-	7,488.00
3/01/2013	7,488.00	-	7,488.00
6/01/2013	7,488.00	-	7,488.00
9/01/2013	7,488.00	-	7,488.00
12/01/2013	7,488.00	-	7,488.00
3/01/2014	7,488.00	-	7,488.00
6/01/2014	7,488.00	-	7,488.00
9/01/2014	7,488.00	-	7,488.00
12/01/2014	7,488.00	-	7,488.00
3/01/2015	7,488.00	-	7,488.00
6/01/2015	7,488.00	-	7,488.00
9/01/2015	7,488.00	-	7,488.00
12/01/2015	7,488.00	-	7,488.00
3/01/2016	7,488.00	-	7,488.00
6/01/2016	7,488.00	-	7,488.00
9/01/2016	7,488.00	-	7,488.00
12/01/2016	7,488.00	-	7,488.00
3/01/2017	7,488.00	-	7,488.00
6/01/2017	7,488.00	-	7,488.00
9/01/2017	7,488.00	-	7,488.00
12/01/2017	7,488.00	-	7,488.00
3/01/2018	7,488.00	-	7,488.00
6/01/2018	7,488.00	-	7,488.00
9/01/2018	7,488.00	-	7,488.00
12/01/2018	7,488.00	-	7,488.00
3/01/2019	7,488.00	-	7,488.00
6/01/2019	7,488.00	-	7,488.00
TOTAL	599,089.00	-	599,089.00 *

*Plus $758.21 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $60,656.80.

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 12/27/2018

ISSUE: City of Charles Town

Combined Waterworks & Sewerage System Revenue Bonds, Series 2018 A-3 (WDA)

ADDRESS: 101 E. Washington Street, Charles Town, WV 25414 COUNTY: Jefferson

PURPOSE OF ISSUE: assumption and replacement

_____ Refunding Refunding issue(s) dated: _____

ISSUE DATE: December 27, 2018 RATE: 1.00% ADMIN FEE NA

ISSUE AMOUNT: $662,039

1st DEBT SERVICE DUE: September 1, 2019 1st PRINCIPAL DUE: September 1, 2019

1st DEBT SERVICE AMOUNT: $ 9,575.62 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: John Stump, Esquire Contact Name: Samme Gee

Phone: 304.353.8196 Phone: 304.340.1318

Email: john.stump@steptoe-johnson.com Email: sgee@jacksonkelly.com

CLOSING BANK: *United Bank* *ESCROW TRUSTEE:* _____

Contact Name: Thomas Provenzano Contact Name: _____

Phone: 304.348.8356 Phone: _____

Email: thomas.provenzano@bankwithunited.com Email: _____

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVWDA*

Contact Name: Kristen M. Stolipher Contact Name: Sheila Miller

Title: Assistant Utility Manager Title: CFO

Phone: 304.724.7080 Phone: 304.414.6500

Email: kristen@charlestownutilities.us Email: smiller@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: _____

By: Wire _____ Capitalized Interest: _____

Check _____ Reserve Account: _____

In-house Transfer _____ Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee: _____

By: Wire _____ To Issuer: _____

Check _____ To Cons.Invest Fund: _____

IGT _____ To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____ CUSIP: _____

ACCOUNT NUMBER: _____ PROGRAM NUMBER: _____

NOTES: Charles Town assumed Jefferson Co PSD Sewer RB, Series 1998 C & redesignated & replaced them as City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (WVWDA).

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: _____ Transfers Required: _____

1998C → A-3

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Jefferson County Public Service District
$662,039
Infrastructure Fund Loan

	Term (Yrs.): 40	Loan Rate:	1.00%
First Payment:	09/01/19	Final Payment:	6/1/38

Date	#	Principal	Interest	Total
6/1/98		-	-	-
9/1/98		-	-	-
12/1/98		-	-	-
3/1/99		-	-	-
6/1/99		-	-	-
9/1/99		-	-	-
12/1/99		-	-	-
3/1/00		-	-	-
6/1/00		-	-	-
9/1/00		-	-	-
12/1/00		-	-	-
3/1/01		-	-	-
6/1/01		-	-	-
9/1/01		-	-	-
12/1/01		-	-	-
3/1/02		-	-	-
6/1/02		-	-	-
9/1/02		-	-	-
12/1/02		-	-	-
3/1/03		-	-	-
6/1/03		-	-	-
9/1/03		-	-	-
12/1/03		-	-	-
3/1/04		-	-	-
6/1/04		-	-	-
9/1/04		-	-	-
12/1/04		-	-	-
3/1/05		-	-	-
6/1/05		-	-	-
9/1/05		-	-	-
12/1/05		-	-	-
3/1/06		-	-	-
6/1/06		-	-	-
9/1/06		-	-	-
12/1/06		-	-	-
3/1/07		-	-	-
6/1/07		-	-	-
9/1/07		-	-	-
12/1/07		-	-	-
3/1/08		-	-	-

Marquette de Bary Co.
Incorporated

Sheet1
6/16/98
12:10 PM

6/1/08		-	-	-
9/1/08		-	-	-
12/1/08		-	-	-
3/1/09		-	-	-
6/1/09		-	-	-
9/1/09		-	-	-
12/1/09		-	-	-
3/1/10		-	-	-
6/1/10		-	-	-
9/1/10		-	-	-
12/1/10		-	-	-
3/1/11		-	-	-
6/1/11		-	-	-
9/1/11		-	-	-
12/1/11		-	-	-
3/1/12		-	-	-
6/1/12		-	-	-
9/1/12		-	-	-
12/1/12		-	-	-
3/1/13		-	-	-
6/1/13		-	-	-
9/1/13		-	-	-
12/1/13		-	-	-
3/1/14		-	-	-
6/1/14		-	-	-
9/1/14		-	-	-
12/1/14		-	-	-
3/1/15		-	-	-
6/1/15		-	-	-
9/1/15		-	-	-
12/1/15		-	-	-
3/1/16		-	-	-
6/1/16		-	-	-
9/1/16		-	-	-
12/1/16		-	-	-
3/1/17		-	-	-
6/1/17		-	-	-
9/1/17		-	-	-
12/1/17		-	-	-
3/1/18		-	-	-
6/1/18		-	-	-
9/1/18		-	-	-
12/1/18		-	-	-
3/1/19		-	-	-
6/1/19		-	-	-
9/1/19	1	7,920.53	1,655.09	9,575.62
12/1/19	2	7,940.33	1,635.30	9,575.63
3/1/20	3	7,960.18	1,615.44	9,575.62

Marquette de Bary Co.
Incorporated

Sheet1
6/16/98
12:10 PM

6/1/20	4	7,980.08	1,595.55	9,575.63
9/1/20	5	8,000.04	1,575.59	9,575.63
12/1/20	6	8,020.04	1,555.60	9,575.64
3/1/21	7	8,040.09	1,535.54	9,575.63
6/1/21	8	8,060.19	1,515.45	9,575.64
9/1/21	9	8,080.34	1,495.29	9,575.63
12/1/21	10	8,100.54	1,475.10	9,575.64
3/1/22	11	8,120.79	1,454.84	9,575.63
6/1/22	12	8,141.09	1,434.54	9,575.63
9/1/22	13	8,161.44	1,414.18	9,575.62
12/1/22	14	8,181.85	1,393.79	9,575.64
3/1/23	15	8,202.30	1,373.32	9,575.62
6/1/23	16	8,222.81	1,352.83	9,575.64
9/1/23	17	8,243.36	1,332.26	9,575.62
12/1/23	18	8,263.97	1,311.66	9,575.63
3/1/24	19	8,284.63	1,290.99	9,575.62
6/1/24	20	8,305.34	1,270.29	9,575.63
9/1/24	21	8,326.11	1,249.52	9,575.63
12/1/24	22	8,346.92	1,228.71	9,575.63
3/1/25	23	8,367.79	1,207.84	9,575.63
6/1/25	24	8,388.71	1,186.93	9,575.64
9/1/25	25	8,409.68	1,165.94	9,575.62
12/1/25	26	8,430.71	1,144.93	9,575.64
3/1/26	27	8,451.78	1,123.84	9,575.62
6/1/26	28	8,472.91	1,102.72	9,575.63
9/1/26	29	8,494.09	1,081.53	9,575.62
12/1/26	30	8,515.33	1,060.31	9,575.64
3/1/27	31	8,536.62	1,039.01	9,575.63
6/1/27	32	8,557.96	1,017.68	9,575.64
9/1/27	33	8,579.36	996.27	9,575.62
12/1/27	34	8,600.80	974.83	9,575.63
3/1/28	35	8,622.30	953.32	9,575.62
6/1/28	36	8,643.86	931.77	9,575.63
9/1/28	37	8,665.47	910.16	9,575.63
12/1/28	38	8,687.13	888.50	9,575.63
3/1/29	39	8,708.85	866.77	9,575.62
6/1/29	40	8,730.62	845.01	9,575.63
9/1/29	41	8,752.45	823.18	9,575.63
12/1/29	42	8,774.33	801.30	9,575.63
3/1/30	43	8,796.27	779.36	9,575.63
6/1/30	44	8,818.26	757.38	9,575.64
9/1/30	45	8,840.30	735.32	9,575.62
12/1/30	46	8,862.40	713.23	9,575.63
3/1/31	47	8,884.56	691.07	9,575.63
6/1/31	48	8,906.77	668.86	9,575.63
9/1/31	49	8,929.04	646.59	9,575.63
12/1/31	50	8,951.36	624.27	9,575.63
3/1/32	51	8,973.74	601.89	9,575.63

6/1/32	52	8,998.17	579.46	9,575.63
9/1/32	53	9,018.66	556.96	9,575.62
12/1/32	54	9,041.21	534.42	9,575.63
3/1/33	55	9,063.81	511.81	9,575.62
6/1/33	56	9,086.47	489.16	9,575.63
9/1/33	57	9,109.19	466.44	9,575.63
12/1/33	58	9,131.96	443.67	9,575.63
3/1/34	59	9,154.79	420.83	9,575.62
6/1/34	60	9,177.68	397.96	9,575.64
9/1/34	61	9,200.62	375.00	9,575.62
12/1/34	62	9,223.62	352.01	9,575.63
3/1/35	63	9,246.68	328.94	9,575.62
6/1/35	64	9,269.80	305.83	9,575.63
9/1/35	65	9,292.98	282.65	9,575.63
12/1/35	66	9,316.21	259.43	9,575.64
3/1/36	67	9,339.50	236.13	9,575.63
6/1/36	68	9,362.85	212.79	9,575.64
9/1/36	69	9,386.25	189.37	9,575.62
12/1/36	70	9,409.72	165.92	9,575.64
3/1/37	71	9,433.24	142.38	9,575.62
6/1/37	72	9,456.83	118.81	9,575.64
9/1/37	73	9,480.47	95.16	9,575.63
12/1/37	74	9,504.17	71.46	9,575.63
3/1/38	75	9,527.93	47.69	9,575.62
6/1/38	76	9,551.72	23.88	9,575.60
		$ 662,039.00	$ 65,708.85	$ 727,747.79

Summary Statistics:

Average Annual Cost -	$18,193.69
Average Life -	30.925
Average Interest Rate -	0.4750%
Net Interest Cost (NIC)	0.3209%
True Interest Cost (TIC)	0.3102%
Tax Yield (I.R.C. Section 148)	0.3102%
All-in Yield (AIC)	0.3102%

Data for Form 8038:

	Line 19:	Line 20:
(a)	6/1/38	N/A
(b)	1.000%	N/A
(c)	$9,551.72	$662,039.00
(d)	$9,551.72	$662,039.00
(e)	N/A	30.925
(f)	N/A	0.3102%
(g)	N/A	0.3209%

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302
Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov**

Date of Report: 12/27/2018

ISSUE: City of Charles Town
Combined Waterworks & Sewerage System Revenue Bonds, Series 2018 A-4 (WDA)

ADDRESS: 101 E. Washington Street, Charles Town, WV 25414 COUNTY: Jefferson

PURPOSE OF ISSUE: assumption and replacement
_____ Refunding Refunding issue(s) dated: _____

ISSUE DATE: December 27, 2018 RATE: 0.00% ADMIN FEE 0.5

ISSUE AMOUNT: $378,363

1st DEBT SERVICE DUE: June 1, 2000 1st PRINCIPAL DUE: June 1, 2000

1st DEBT SERVICE AMOUNT: $ 3,154.00 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC*
Contact Name: John Stump, Esquire
Phone: 304.353.8196
Email: john.stump@steptoe-johnson.com

UNDERWRITERS COUNSEL: *Jackson Kelly PLLC*
Contact Name: Samme Gee
Phone: 304.340.1318
Email: sgee@jacksonkelly.com

CLOSING BANK: *United Bank*
Contact Name: Thomas Provenzano
Phone: 304.348.8356
Email: thomas.provenzano@bankwithunited.com

ESCROW TRUSTEE: _____
Contact Name: _____
Phone: _____
Email: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Name: Kristen M. Stolipher
Title: Assistant Utility Manager
Phone: 304.724.7080
Email: kristen@charlestownutilities.us

OTHER: *WVWDA*
Contact Name: Sheila Miller
Title: CFO
Phone: 304.414.6500
Email: smiller@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____
By: Wire _____
Check _____
In-house Transfer _____

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 Fund: _____
To Other: _____

ISSUER NUMBERS:
BANK ID NUMBER: _____ CUSIP: _____
ACCOUNT NUMBER: _____ PROGRAM NUMBER: _____

NOTES: Charles Town assumed Jefferson Co PSD Sewer RB, Series 1999 A & redesignated & replaced them as City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (WVWDA).

FOR MUNIICPAL BOND COMMISSION USE ONLY:
Documents Required: _____ Transfers Required: _____

1999 A → A-4

EXHIBIT B

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2000	-	-	-
6/01/2000	3,154.00	-	3,154.00
9/01/2000	3,154.00	-	3,154.00
12/01/2000	3,154.00	-	3,154.00
3/01/2001	3,153.00	-	3,153.00
6/01/2001	3,153.00	-	3,153.00
9/01/2001	3,153.00	-	3,153.00
12/01/2001	3,153.00	-	3,153.00
3/01/2002	3,153.00	-	3,153.00
6/01/2002	3,153.00	-	3,153.00
9/01/2002	3,153.00	-	3,153.00
12/01/2002	3,153.00	-	3,153.00
3/01/2003	3,153.00	-	3,153.00
6/01/2003	3,153.00	-	3,153.00
9/01/2003	3,153.00	-	3,153.00
12/01/2003	3,153.00	-	3,153.00
3/01/2004	3,153.00	-	3,153.00
6/01/2004	3,153.00	-	3,153.00
9/01/2004	3,153.00	-	3,153.00
12/01/2004	3,153.00	-	3,153.00
3/01/2005	3,153.00	-	3,153.00
6/01/2005	3,153.00	-	3,153.00
9/01/2005	3,153.00	-	3,153.00
12/01/2005	3,153.00	-	3,153.00
3/01/2006	3,153.00	-	3,153.00
6/01/2006	3,153.00	-	3,153.00
9/01/2006	3,153.00	-	3,153.00
12/01/2006	3,153.00	-	3,153.00
3/01/2007	3,153.00	-	3,153.00
6/01/2007	3,153.00	-	3,153.00
9/01/2007	3,153.00	-	3,153.00
12/01/2007	3,153.00	-	3,153.00
3/01/2008	3,153.00	-	3,153.00
6/01/2008	3,153.00	-	3,153.00
9/01/2008	3,153.00	-	3,153.00
12/01/2008	3,153.00	-	3,153.00
3/01/2009	3,153.00	-	3,153.00
6/01/2009	3,153.00	-	3,153.00
9/01/2009	3,153.00	-	3,153.00
12/01/2009	3,153.00	-	3,153.00
3/01/2010	3,153.00	-	3,153.00
6/01/2010	3,153.00	-	3,153.00
9/01/2010	3,153.00	-	3,153.00
12/01/2010	3,153.00	-	3,153.00
3/01/2011	3,153.00	-	3,153.00
6/01/2011	3,153.00	-	3,153.00
9/01/2011	3,153.00	-	3,153.00

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2011	3,153.00	-	3,153.00
3/01/2012	3,153.00	-	3,153.00
6/01/2012	3,153.00	-	3,153.00
9/01/2012	3,153.00	-	3,153.00
12/01/2012	3,153.00	-	3,153.00
3/01/2013	3,153.00	-	3,153.00
6/01/2013	3,153.00	-	3,153.00
9/01/2013	3,153.00	-	3,153.00
12/01/2013	3,153.00	-	3,153.00
3/01/2014	3,153.00	-	3,153.00
6/01/2014	3,153.00	-	3,153.00
9/01/2014	3,153.00	-	3,153.00
12/01/2014	3,153.00	-	3,153.00
3/01/2015	3,153.00	-	3,153.00
6/01/2015	3,153.00	-	3,153.00
9/01/2015	3,153.00	-	3,153.00
12/01/2015	3,153.00	-	3,153.00
3/01/2016	3,153.00	-	3,153.00
6/01/2016	3,153.00	-	3,153.00
9/01/2016	3,153.00	-	3,153.00
12/01/2016	3,153.00	-	3,153.00
3/01/2017	3,153.00	-	3,153.00
6/01/2017	3,153.00	-	3,153.00
9/01/2017	3,153.00	-	3,153.00
12/01/2017	3,153.00	-	3,153.00
3/01/2018	3,153.00	-	3,153.00
6/01/2018	3,153.00	-	3,153.00
9/01/2018	3,153.00	-	3,153.00
12/01/2018	3,153.00	-	3,153.00
3/01/2019	3,153.00	-	3,153.00
6/01/2019	3,153.00	-	3,153.00
9/01/2019	3,153.00	-	3,153.00
12/01/2019	3,153.00	-	3,153.00
3/01/2020	3,153.00	-	3,153.00
6/01/2020	3,153.00	-	3,153.00
9/01/2020	3,153.00	-	3,153.00
12/01/2020	3,153.00	-	3,153.00
3/01/2021	3,153.00	-	3,153.00
6/01/2021	3,153.00	-	3,153.00
9/01/2021	3,153.00	-	3,153.00
12/01/2021	3,153.00	-	3,153.00
3/01/2022	3,153.00	-	3,153.00
6/01/2022	3,153.00	-	3,153.00
9/01/2022	3,153.00	-	3,153.00
12/01/2022	3,153.00	-	3,153.00
3/01/2023	3,153.00	-	3,153.00
6/01/2023	3,153.00	-	3,153.00

Jefferson County Public Service District (West Virginia)

Loan of $378,363

30 Years, 0% Interest, 1/2% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2023	3,153.00	-	3,153.00
12/01/2023	3,153.00	-	3,153.00
3/01/2024	3,153.00	-	3,153.00
6/01/2024	3,153.00	-	3,153.00
9/01/2024	3,153.00	-	3,153.00
12/01/2024	3,153.00	-	3,153.00
3/01/2025	3,153.00	-	3,153.00
6/01/2025	3,153.00	-	3,153.00
9/01/2025	3,153.00	-	3,153.00
12/01/2025	3,153.00	-	3,153.00
3/01/2026	3,153.00	-	3,153.00
6/01/2026	3,153.00	-	3,153.00
9/01/2026	3,153.00	-	3,153.00
12/01/2026	3,153.00	-	3,153.00
3/01/2027	3,153.00	-	3,153.00
6/01/2027	3,153.00	-	3,153.00
9/01/2027	3,153.00	-	3,153.00
12/01/2027	3,153.00	-	3,153.00
3/01/2028	3,153.00	-	3,153.00
6/01/2028	3,153.00	-	3,153.00
9/01/2028	3,153.00	-	3,153.00
12/01/2028	3,153.00	-	3,153.00
3/01/2029	3,153.00	-	3,153.00
6/01/2029	3,153.00	-	3,153.00
9/01/2029	3,153.00	-	3,153.00
12/01/2029	3,153.00	-	3,153.00
3/01/2030	3,153.00	-	3,153.00
Total	378,363.00	-	378,363.00 *

*Plus $238.45 one-half percent administrative fee paid quarterly. Total fee paid over the life of the loan is $28,614.

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 12/27/2018

ISSUE: City of Charles Town

Combined Waterworks & Sewerage System Revenue Bonds, Series 2018 A-5 (WDA)

ADDRESS: 101 E. Washington Street, Charles Town, WV 25414 COUNTY: Jefferson

PURPOSE OF ISSUE: assumption and replacement

_____ Refunding Refunding issue(s) dated: _____

ISSUE DATE: December 27, 2018 RATE: 0.00% ADMIN FEE 0.5

ISSUE AMOUNT: $1,154,889

1st DEBT SERVICE DUE: March 1, 2002 1st PRINCIPAL DUE: March 1, 2002

1st DEBT SERVICE AMOUNT: $ 9,625.00 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: John Stump, Esquire Contact Name: Samme Gee

Phone: 304.353.8196 Phone: 304.340.1318

Email: john.stump@steptoe-johnson.com Email: sgee@jacksonkelly.com

CLOSING BANK: *United Bank* *ESCROW TRUSTEE:* _____

Contact Name: Thomas Provenzano Contact Name: _____

Phone: 304.348.8356 Phone: _____

Email: thomas.provenzano@bankwithunited.com Email: _____

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVWDA*

Contact Name: Kristen M. Stolipher Contact Name: Sheila Miller

Title: Assistant Utility Manager Title: CFO

Phone: 304.724.7080 Phone: 304.414.6500

Email: kristen@charlestownutilities.us Email: smiller@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: _____

By: Wire _____ Capitalized Interest: _____

Check _____ Reserve Account: _____

In-house Transfer _____ Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee: _____

By: Wire _____ To Issuer: _____

Check _____ To Cons.Invest Fund: _____

IGT _____ To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____ CUSIP: _____

ACCOUNT NUMBER: _____ PROGRAM NUMBER: _____

NOTES: Charles Town assumed Jefferson Co PSD Sewer RB, Series 2000 A & redesignated & replaced them as City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (WVWDA).

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: _____ Transfers Required: _____

2000 A ⇒ A-5

EXHIBIT B

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	-	-	-
3/01/2002	9,625.00	-	9,625.00
6/01/2002	9,625.00	-	9,625.00
9/01/2002	9,625.00	-	9,625.00
12/01/2002	9,625.00	-	9,625.00
3/01/2003	9,625.00	-	9,625.00
6/01/2003	9,625.00	-	9,625.00
9/01/2003	9,625.00	-	9,625.00
12/01/2003	9,625.00	-	9,625.00
3/01/2004	9,625.00	-	9,625.00
6/01/2004	9,624.00	-	9,624.00
9/01/2004	9,624.00	-	9,624.00
12/01/2004	9,624.00	-	9,624.00
3/01/2005	9,624.00	-	9,624.00
6/01/2005	9,624.00	-	9,624.00
9/01/2005	9,624.00	-	9,624.00
12/01/2005	9,624.00	-	9,624.00
3/01/2006	9,624.00	-	9,624.00
6/01/2006	9,624.00	-	9,624.00
9/01/2006	9,624.00	-	9,624.00
12/01/2006	9,624.00	-	9,624.00
3/01/2007	9,624.00	-	9,624.00
6/01/2007	9,624.00	-	9,624.00
9/01/2007	9,624.00	-	9,624.00
12/01/2007	9,624.00	-	9,624.00
3/01/2008	9,624.00	-	9,624.00
6/01/2008	9,624.00	-	9,624.00
9/01/2008	9,624.00	-	9,624.00
12/01/2008	9,624.00	-	9,624.00
3/01/2009	9,624.00	-	9,624.00
6/01/2009	9,624.00	-	9,624.00
9/01/2009	9,624.00	-	9,624.00
12/01/2009	9,624.00	-	9,624.00
3/01/2010	9,624.00	-	9,624.00
6/01/2010	9,624.00	-	9,624.00
9/01/2010	9,624.00	-	9,624.00
12/01/2010	9,624.00	-	9,624.00
3/01/2011	9,624.00	-	9,624.00
6/01/2011	9,624.00	-	9,624.00
9/01/2011	9,624.00	-	9,624.00
12/01/2011	9,624.00	-	9,624.00

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2012	9,624.00	-	9,624.00
6/01/2012	9,624.00	-	9,624.00
9/01/2012	9,624.00	-	9,624.00
12/01/2012	9,624.00	-	9,624.00
3/01/2013	9,624.00	-	9,624.00
6/01/2013	9,624.00	-	9,624.00
9/01/2013	9,624.00	-	9,624.00
12/01/2013	9,624.00	-	9,624.00
3/01/2014	9,624.00	-	9,624.00
6/01/2014	9,624.00	-	9,624.00
9/01/2014	9,624.00	-	9,624.00
12/01/2014	9,624.00	-	9,624.00
3/01/2015	9,624.00	-	9,624.00
6/01/2015	9,624.00	-	9,624.00
9/01/2015	9,624.00	-	9,624.00
12/01/2015	9,624.00	-	9,624.00
3/01/2016	9,624.00	-	9,624.00
6/01/2016	9,624.00	-	9,624.00
9/01/2016	9,624.00	-	9,624.00
12/01/2016	9,624.00	-	9,624.00
3/01/2017	9,624.00	-	9,624.00
6/01/2017	9,624.00	-	9,624.00
9/01/2017	9,624.00	-	9,624.00
12/01/2017	9,624.00	-	9,624.00
3/01/2018	9,624.00	-	9,624.00
6/01/2018	9,624.00	-	9,624.00
9/01/2018	9,624.00	-	9,624.00
12/01/2018	9,624.00	-	9,624.00
3/01/2019	9,624.00	-	9,624.00
6/01/2019	9,624.00	-	9,624.00
9/01/2019	9,624.00	-	9,624.00
12/01/2019	9,624.00	-	9,624.00
3/01/2020	9,624.00	-	9,624.00
6/01/2020	9,624.00	-	9,624.00
9/01/2020	9,624.00	-	9,624.00
12/01/2020	9,624.00	-	9,624.00
3/01/2021	9,624.00	-	9,624.00
6/01/2021	9,624.00	-	9,624.00
9/01/2021	9,624.00	-	9,624.00
12/01/2021	9,624.00	-	9,624.00
3/01/2022	9,624.00	-	9,624.00
6/01/2022	9,624.00	-	9,624.00
9/01/2022	9,624.00	-	9,624.00
12/01/2022	9,624.00	-	9,624.00
3/01/2023	9,624.00	-	9,624.00
6/01/2023	9,624.00	-	9,624.00

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2023	9,624.00	-	9,624.00
12/01/2023	9,624.00	-	9,624.00
3/01/2024	9,624.00	-	9,624.00
6/01/2024	9,624.00	-	9,624.00
9/01/2024	9,624.00	-	9,624.00
12/01/2024	9,624.00	-	9,624.00
3/01/2025	9,624.00	-	9,624.00
6/01/2025	9,624.00	-	9,624.00
9/01/2025	9,624.00	-	9,624.00
12/01/2025	9,624.00	-	9,624.00
3/01/2026	9,624.00	-	9,624.00
6/01/2026	9,624.00	-	9,624.00
9/01/2026	9,624.00	-	9,624.00
12/01/2026	9,624.00	-	9,624.00
3/01/2027	9,624.00	-	9,624.00
6/01/2027	9,624.00	-	9,624.00
9/01/2027	9,624.00	-	9,624.00
12/01/2027	9,624.00	-	9,624.00
3/01/2028	9,624.00	-	9,624.00
6/01/2028	9,624.00	-	9,624.00
9/01/2028	9,624.00	-	9,624.00
12/01/2028	9,624.00	-	9,624.00
3/01/2029	9,624.00	-	9,624.00
6/01/2029	9,624.00	-	9,624.00
9/01/2029	9,624.00	-	9,624.00
12/01/2029	9,624.00	-	9,624.00
3/01/2030	9,624.00	-	9,624.00
6/01/2030	9,624.00	-	9,624.00
9/01/2030	9,624.00	-	9,624.00
12/01/2030	9,624.00	-	9,624.00
3/01/2031	9,624.00	-	9,624.00
6/01/2031	9,624.00	-	9,624.00
9/01/2031	9,624.00	-	9,624.00
12/01/2031	9,624.00	-	9,624.00
Total	1,154,889.00	-	1,154,889.00 *

*Plus $727.82 one-half percent administrative fee paid quarterly. Total fee over the life of the loan is $87,338.40.

Jefferson County Public Service District (West Virginia)

Loan of $1,154,889
30 Years, 0% Interest, 1/2% Administrative Fee
Closing Date: June 22, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Bond Year Dollars	$19,132.54
Average Life	16.567 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	6.36E-12
Bond Yield for Arbitrage Purposes	6.36E-12
All Inclusive Cost (AIC)	0.4547866%

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	16.567 Years

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 12/27/2018

ISSUE: City of Charles Town

Combined Waterworks & Sewerage System Revenue Bonds, Series 2018 A-6 (WDA)

ADDRESS: 101 E. Washington Street, Charles Town, WV 25414 COUNTY: Jefferson

PURPOSE OF ISSUE: assumption and replacement

_____ Refunding Refunding issue(s) dated: _____

ISSUE DATE: December 27, 2018 RATE: 0.00% ADMIN FEE 0.5

ISSUE AMOUNT: $2,005,000

1st DEBT SERVICE DUE: March 1, 2009 1st PRINCIPAL DUE: March 1, 2009

1st DEBT SERVICE AMOUNT: $ 16,709.00 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC*

Contact Name: John Stump, Esquire

Phone: 304.353.8196

Email: john.stump@steptoe-johnson.com

UNDERWRITERS COUNSEL: *Jackson Kelly PLLC*

Contact Name: Samme Gee

Phone: 304.340.1318

Email: sgee@jacksonkelly.com

CLOSING BANK: *United Bank*

Contact Name: Thomas Provenzano

Phone: 304.348.8356

Email: thomas.provenzano@bankwithunited.com

ESCROW TRUSTEE: _____

Contact Name: _____

Phone: _____

Email: _____

KNOWLEDGEABLE ISSUER CONTACT:

Contact Name: Kristen M. Stolipher

Title: Assistant Utility Manager

Phone: 304.724.7080

Email: kristen@charlestownutilities.us

OTHER: *WVWDA*

Contact Name: Sheila Miller

Title: CFO

Phone: 304.414.6500

Email: smiller@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____

By: Wire _____

Check _____

In-house Transfer _____

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 Fund: _____

To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____ CUSIP: _____

ACCOUNT NUMBER: _____ PROGRAM NUMBER: _____

NOTES: Charles Town assumed Jefferson Co PSD Sewer RB, Series 2008 A & redesignated & replaced them as City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (WVWDA).

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: _____ Transfers Required: _____

2008 A → A-6

$2,005,000
Jefferson County Public Service District
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	16,709.00	-	16,709.00
06/01/2009	16,709.00	-	16,709.00
09/01/2009	16,709.00	-	16,709.00
12/01/2009	16,709.00	-	16,709.00
03/01/2010	16,709.00	-	16,709.00
06/01/2010	16,709.00	-	16,709.00
09/01/2010	16,709.00	-	16,709.00
12/01/2010	16,709.00	-	16,709.00
03/01/2011	16,709.00	-	16,709.00
06/01/2011	16,709.00	-	16,709.00
09/01/2011	16,709.00	-	16,709.00
12/01/2011	16,709.00	-	16,709.00
03/01/2012	16,709.00	-	16,709.00
06/01/2012	16,709.00	-	16,709.00
09/01/2012	16,709.00	-	16,709.00
12/01/2012	16,709.00	-	16,709.00
03/01/2013	16,709.00	-	16,709.00
06/01/2013	16,709.00	-	16,709.00
09/01/2013	16,709.00	-	16,709.00
12/01/2013	16,709.00	-	16,709.00
03/01/2014	16,709.00	-	16,709.00
06/01/2014	16,709.00	-	16,709.00
09/01/2014	16,709.00	-	16,709.00
12/01/2014	16,709.00	-	16,709.00
03/01/2015	16,709.00	-	16,709.00
06/01/2015	16,709.00	-	16,709.00
09/01/2015	16,709.00	-	16,709.00
12/01/2015	16,709.00	-	16,709.00
03/01/2016	16,709.00	-	16,709.00
06/01/2016	16,709.00	-	16,709.00
09/01/2016	16,709.00	-	16,709.00
12/01/2016	16,709.00	-	16,709.00
03/01/2017	16,709.00	-	16,709.00
06/01/2017	16,709.00	-	16,709.00
09/01/2017	16,709.00	-	16,709.00
12/01/2017	16,709.00	-	16,709.00
03/01/2018	16,709.00	-	16,709.00
06/01/2018	16,709.00	-	16,709.00
09/01/2018	16,709.00	-	16,709.00
12/01/2018	16,709.00	-	16,709.00
03/01/2019	16,708.00	-	16,708.00
06/01/2019	16,708.00	-	16,708.00

$2,005,000

Jefferson County Public Service District

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2019	16,708.00	-	16,708.00
12/01/2019	16,708.00	-	16,708.00
03/01/2020	16,708.00	-	16,708.00
06/01/2020	16,708.00	-	16,708.00
09/01/2020	16,708.00	-	16,708.00
12/01/2020	16,708.00	-	16,708.00
03/01/2021	16,708.00	-	16,708.00
06/01/2021	16,708.00	-	16,708.00
09/01/2021	16,708.00	-	16,708.00
12/01/2021	16,708.00	-	16,708.00
03/01/2022	16,708.00	-	16,708.00
06/01/2022	16,708.00	-	16,708.00
09/01/2022	16,708.00	-	16,708.00
12/01/2022	16,708.00	-	16,708.00
03/01/2023	16,708.00	-	16,708.00
06/01/2023	16,708.00	-	16,708.00
09/01/2023	16,708.00	-	16,708.00
12/01/2023	16,708.00	-	16,708.00
03/01/2024	16,708.00	-	16,708.00
06/01/2024	16,708.00	-	16,708.00
09/01/2024	16,708.00	-	16,708.00
12/01/2024	16,708.00	-	16,708.00
03/01/2025	16,708.00	-	16,708.00
06/01/2025	16,708.00	-	16,708.00
09/01/2025	16,708.00	-	16,708.00
12/01/2025	16,708.00	-	16,708.00
03/01/2026	16,708.00	-	16,708.00
06/01/2026	16,708.00	-	16,708.00
09/01/2026	16,708.00	-	16,708.00
12/01/2026	16,708.00	-	16,708.00
03/01/2027	16,708.00	-	16,708.00
06/01/2027	16,708.00	-	16,708.00
09/01/2027	16,708.00	-	16,708.00
12/01/2027	16,708.00	-	16,708.00
03/01/2028	16,708.00	-	16,708.00
06/01/2028	16,708.00	-	16,708.00
09/01/2028	16,708.00	-	16,708.00
12/01/2028	16,708.00	-	16,708.00
03/01/2029	16,708.00	-	16,708.00
06/01/2029	16,708.00	-	16,708.00
09/01/2029	16,708.00	-	16,708.00
12/01/2029	16,708.00	-	16,708.00
03/01/2030	16,708.00	-	16,708.00
06/01/2030	16,708.00	-	16,708.00

$2,005,000

Jefferson County Public Service District

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: June 18, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2030	16,708.00	-	16,708.00
12/01/2030	16,708.00	-	16,708.00
03/01/2031	16,708.00	-	16,708.00
06/01/2031	16,708.00	-	16,708.00
09/01/2031	16,708.00	-	16,708.00
12/01/2031	16,708.00	-	16,708.00
03/01/2032	16,708.00	-	16,708.00
06/01/2032	16,708.00	-	16,708.00
09/01/2032	16,708.00	-	16,708.00
12/01/2032	16,708.00	-	16,708.00
03/01/2033	16,708.00	-	16,708.00
06/01/2033	16,708.00	-	16,708.00
09/01/2033	16,708.00	-	16,708.00
12/01/2033	16,708.00	-	16,708.00
03/01/2034	16,708.00	-	16,708.00
06/01/2034	16,708.00	-	16,708.00
09/01/2034	16,708.00	-	16,708.00
12/01/2034	16,708.00	-	16,708.00
03/01/2035	16,708.00	-	16,708.00
06/01/2035	16,708.00	-	16,708.00
09/01/2035	16,708.00	-	16,708.00
12/01/2035	16,708.00	-	16,708.00
03/01/2036	16,708.00	-	16,708.00
06/01/2036	16,708.00	-	16,708.00
09/01/2036	16,708.00	-	16,708.00
12/01/2036	16,708.00	-	16,708.00
03/01/2037	16,708.00	-	16,708.00
06/01/2037	16,708.00	-	16,708.00
09/01/2037	16,708.00	-	16,708.00
12/01/2037	16,708.00	-	16,708.00
03/01/2038	16,708.00	-	16,708.00
06/01/2038	16,708.00	-	16,708.00
09/01/2038	16,708.00	-	16,708.00
12/01/2038	16,708.00	-	16,708.00
Total	$2,005,000.00	-	$2,005,000.00 *

*Plus $1,263.56 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $151,627.20.

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 12/27/2018

ISSUE: City of Charles Town

Combined Waterworks & Sewerage System Revenue Bonds, Series 2018 A-7 (WDA)

ADDRESS: 101 E. Washington Street, Charles Town, WV 25414 COUNTY: Jefferson

PURPOSE OF ISSUE: assumption and replacement

_____ Refunding Refunding issue(s) dated: _____

ISSUE DATE: December 27, 2018 RATE: 0.50% ADMIN FEE 0.5

ISSUE AMOUNT: $985,350

1st DEBT SERVICE DUE: December 1, 2015 1st PRINCIPAL DUE: December 1, 2015

1st DEBT SERVICE AMOUNT: $ 8,847.69 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: John Stump, Esquire Contact Name: Samme Gee

Phone: 304.353.8196 Phone: 304.340.1318

Email: john.stump@steptoe-johnson.com Email: sgee@jacksonkelly.com

CLOSING BANK: *United Bank* *ESCROW TRUSTEE:* _____

Contact Name: Thomas Provenzano Contact Name: _____

Phone: 304.348.8356 Phone: _____

Email: thomas.provenzano@bankwithunited.com Email: _____

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVWDA*

Contact Name: Kristen M. Stolipher Contact Name: Sheila Miller

Title: Assistant Utility Manager Title: CFO

Phone: 304.724.7080 Phone: 304.414.6500

Email: kristen@charlestownutilities.us Email: smiller@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: _____

By: Wire _____ Capitalized Interest: _____

Check _____ Reserve Account: _____

In-house Transfer _____ Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee: _____

By: Wire _____ To Issuer: _____

Check _____ To Cons.Invest Fund: _____

IGT _____ To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____ CUSIP: _____

ACCOUNT NUMBER: _____ PROGRAM NUMBER: _____

NOTES: Charles Town assumed Jefferson Co PSD Sewer RB, Series 2014 A & redesignated & replaced them as City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (WVWDA).

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: _____ Transfers Required: _____

2014A → A-7

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service
Jefferson County PSD
DWTRF
$985,350
0.5% Interest Rate
0.5% Administrative Fee
30 Years

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2015	7,616	0.500%	1,231.69	8,847.69	636.36	884.81	10,368.86
3/1/2016	7,625	0.500%	1,222.17	8,847.17	636.36	884.81	10,368.34
6/1/2016	7,635	0.500%	1,212.64	8,847.64	636.36	884.81	10,368.81
9/1/2016	7,645	0.500%	1,203.09	8,848.09	636.36	884.81	10,369.26
12/1/2016	7,654	0.500%	1,193.54	8,847.54	636.36	884.81	10,368.71
3/1/2017	7,664	0.500%	1,183.97	8,847.97	636.36	884.81	10,369.14
6/1/2017	7,673	0.500%	1,174.39	8,847.39	636.36	884.81	10,368.56
9/1/2017	7,683	0.500%	1,164.80	8,847.80	636.36	884.81	10,368.97
12/1/2017	7,692	0.500%	1,155.19	8,847.19	636.36	884.81	10,368.36
3/1/2018	7,702	0.500%	1,145.58	8,847.58	636.36	884.81	10,368.75
6/1/2018	7,712	0.500%	1,135.95	8,847.95	636.36	884.81	10,369.12
9/1/2018	7,721	0.500%	1,126.31	8,847.31	636.36	884.81	10,368.48
12/1/2018	7,731	0.500%	1,116.66	8,847.66	636.36	884.81	10,368.83
3/1/2019	7,741	0.500%	1,107.00	8,848.00	636.36	884.81	10,369.17
6/1/2019	7,750	0.500%	1,097.32	8,847.32	636.36	884.81	10,368.49
9/1/2019	7,760	0.500%	1,087.63	8,847.63	636.36	884.81	10,368.80
12/1/2019	7,770	0.500%	1,077.93	8,847.93	636.36	884.81	10,369.10
3/1/2020	7,779	0.500%	1,068.22	8,847.22	636.36	884.80	10,368.38
6/1/2020	7,789	0.500%	1,058.50	8,847.50	636.36	884.80	10,368.66
9/1/2020	7,799	0.500%	1,048.76	8,847.76	636.36	884.80	10,368.92
12/1/2020	7,809	0.500%	1,039.01	8,848.01	636.36	884.80	10,369.17
3/1/2021	7,818	0.500%	1,029.25	8,847.25	636.36	884.80	10,368.41
6/1/2021	7,828	0.500%	1,019.48	8,847.48	636.36	884.80	10,368.64
9/1/2021	7,838	0.500%	1,009.69	8,847.69	636.36	884.80	10,368.85
12/1/2021	7,848	0.500%	999.90	8,847.90	636.36	884.80	10,369.06
3/1/2022	7,858	0.500%	990.09	8,848.09	636.36	884.80	10,369.25
6/1/2022	7,867	0.500%	980.26	8,847.26	636.36	884.80	10,368.42
9/1/2022	7,877	0.500%	970.43	8,847.43	636.36	884.80	10,368.59
12/1/2022	7,887	0.500%	960.58	8,847.58	636.36	884.80	10,368.74
3/1/2023	7,897	0.500%	950.72	8,847.72	636.36	884.80	10,368.88
6/1/2023	7,907	0.500%	940.85	8,847.85	636.36	884.80	10,369.01
9/1/2023	7,917	0.500%	930.97	8,847.97	636.36	884.80	10,369.13
12/1/2023	7,927	0.500%	921.07	8,848.07	636.36	884.80	10,369.23
3/1/2024	7,936	0.500%	911.16	8,847.16	636.36	884.80	10,368.32
6/1/2024	7,946	0.500%	901.24	8,847.24	636.36	884.80	10,368.40
9/1/2024	7,956	0.500%	891.31	8,847.31	636.36	884.80	10,368.47
12/1/2024	7,966	0.500%	881.37	8,847.37	636.36	884.80	10,368.53
3/1/2025	7,976	0.500%	871.41	8,847.41	636.36	884.80	10,368.57
6/1/2025	7,986	0.500%	861.44	8,847.44	636.36	884.80	10,368.60
9/1/2025	7,996	0.500%	851.46	8,847.46	636.36	884.80	10,368.62
12/1/2025	8,006	0.500%	841.46	8,847.46	636.36	-	9,483.82
3/1/2026	8,016	0.500%	831.45	8,847.45	636.36	-	9,483.81
6/1/2026	8,026	0.500%	821.43	8,847.43	636.36	-	9,483.79
9/1/2026	8,036	0.500%	811.40	8,847.40	636.36	-	9,483.76
12/1/2026	8,046	0.500%	801.36	8,847.36	636.36	-	9,483.72
3/1/2027	8,056	0.500%	791.30	8,847.30	636.36	-	9,483.66

Mar 24, 2014 2:15 pm Prepared by Piper Jaffray & Co. (WDA:LOANS-JEFF114) 2

Net Debt Service							
Jefferson County PSD							
DWTRF							
$985,350							
0.5% Interest Rate							
0.5% Administrative Fee							
30 Years							
Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2027	8,066	0.500%	781.23	8,847.23	636.36	-	9,483.59
9/1/2027	8,076	0.500%	771.15	8,847.15	636.36	-	9,483.51
12/1/2027	8,087	0.500%	761.05	8,848.05	636.36	-	9,484.41
3/1/2028	8,097	0.500%	750.94	8,847.94	636.36	-	9,484.30
6/1/2028	8,107	0.500%	740.82	8,847.82	636.36	-	9,484.18
9/1/2028	8,117	0.500%	730.69	8,847.69	636.36	-	9,484.05
12/1/2028	8,127	0.500%	720.54	8,847.54	636.36	-	9,483.90
3/1/2029	8,137	0.500%	710.38	8,847.38	636.36	-	9,483.74
6/1/2029	8,147	0.500%	700.21	8,847.21	636.36	-	9,483.57
9/1/2029	8,158	0.500%	690.03	8,848.03	636.36	-	9,484.39
12/1/2029	8,168	0.500%	679.83	8,847.83	636.36	-	9,484.19
3/1/2030	8,178	0.500%	669.62	8,847.62	636.36	-	9,483.98
6/1/2030	8,188	0.500%	659.40	8,847.40	636.36	-	9,483.76
9/1/2030	8,198	0.500%	649.16	8,847.16	636.36	-	9,483.52
12/1/2030	8,209	0.500%	638.92	8,847.92	636.36	-	9,484.28
3/1/2031	8,219	0.500%	628.65	8,847.65	636.36	-	9,484.01
6/1/2031	8,229	0.500%	618.38	8,847.38	636.36	-	9,483.74
9/1/2031	8,239	0.500%	608.09	8,847.09	636.36	-	9,483.45
12/1/2031	8,250	0.500%	597.80	8,847.80	636.36	-	9,484.16
3/1/2032	8,260	0.500%	587.48	8,847.48	636.36	-	9,483.84
6/1/2032	8,270	0.500%	577.16	8,847.16	636.36	-	9,483.52
9/1/2032	8,281	0.500%	566.82	8,847.82	636.36	-	9,484.18
12/1/2032	8,291	0.500%	556.47	8,847.47	636.36	-	9,483.83
3/1/2033	8,301	0.500%	546.11	8,847.11	636.36	-	9,483.47
6/1/2033	8,312	0.500%	535.73	8,847.73	636.36	-	9,484.09
9/1/2033	8,322	0.500%	525.34	8,847.34	636.36	-	9,483.70
12/1/2033	8,333	0.500%	514.94	8,847.94	636.36	-	9,484.30
3/1/2034	8,343	0.500%	504.52	8,847.52	636.36	-	9,483.88
6/1/2034	8,354	0.500%	494.09	8,848.09	636.36	-	9,484.45
9/1/2034	8,364	0.500%	483.65	8,847.65	636.36	-	9,484.01
12/1/2034	8,374	0.500%	473.19	8,847.19	636.36	-	9,483.55
3/1/2035	8,385	0.500%	462.73	8,847.73	636.36	-	9,484.09
6/1/2035	8,395	0.500%	452.25	8,847.25	636.36	-	9,483.61
9/1/2035	8,406	0.500%	441.75	8,847.75	636.36	-	9,484.11
12/1/2035	8,416	0.500%	431.24	8,847.24	636.36	-	9,483.60
3/1/2036	8,427	0.500%	420.72	8,847.72	636.36	-	9,484.08
6/1/2036	8,437	0.500%	410.19	8,847.19	636.36	-	9,483.55
9/1/2036	8,448	0.500%	399.64	8,847.64	636.36	-	9,484.00
12/1/2036	8,459	0.500%	389.08	8,848.08	636.36	-	9,484.44
3/1/2037	8,469	0.500%	378.51	8,847.51	636.36	-	9,483.87
6/1/2037	8,480	0.500%	367.92	8,847.92	636.36	-	9,484.28
9/1/2037	8,490	0.500%	357.32	8,847.32	636.36	-	9,483.68
12/1/2037	8,501	0.500%	346.71	8,847.71	636.36	-	9,484.07
3/1/2038	8,512	0.500%	336.09	8,848.09	636.36	-	9,484.45
6/1/2038	8,522	0.500%	325.45	8,847.45	636.36	-	9,483.81
9/1/2038	8,533	0.500%	314.79	8,847.79	636.36	-	9,484.15
Mar 24, 2014 2:15 pm Prepared by Piper Jaffray & Co.							(WDA:LOANS-JEFF114) 3

Net Debt Service

Jefferson County PSD

DWTRF

$985,350

0.5% Interest Rate

0.5% Administrative Fee

30 Years

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2038	8,543	0.500%	304.13	8,847.13	636.36	-	9,483.49
3/1/2039	8,554	0.500%	293.45	8,847.45	636.36	-	9,483.81
6/1/2039	8,565	0.500%	282.76	8,847.76	636.36	-	9,484.12
9/1/2039	8,576	0.500%	272.05	8,848.05	636.36	-	9,484.41
12/1/2039	8,586	0.500%	261.33	8,847.33	636.36	-	9,483.69
3/1/2040	8,597	0.500%	250.60	8,847.60	636.36	-	9,483.96
6/1/2040	8,608	0.500%	239.85	8,847.85	636.36	-	9,484.21
9/1/2040	8,619	0.500%	229.09	8,848.09	636.36	-	9,484.45
12/1/2040	8,629	0.500%	218.32	8,847.32	636.36	-	9,483.68
3/1/2041	8,640	0.500%	207.53	8,847.53	636.36	-	9,483.89
6/1/2041	8,651	0.500%	196.73	8,847.73	636.36	-	9,484.09
9/1/2041	8,662	0.500%	185.92	8,847.92	636.36	-	9,484.28
12/1/2041	8,673	0.500%	175.09	8,848.09	636.36	-	9,484.45
3/1/2042	8,683	0.500%	164.25	8,847.25	636.36	-	9,483.61
6/1/2042	8,694	0.500%	153.39	8,847.39	636.36	-	9,483.75
9/1/2042	8,705	0.500%	142.53	8,847.53	636.36	-	9,483.89
12/1/2042	8,716	0.500%	131.65	8,847.65	636.36	-	9,484.01
3/1/2043	8,727	0.500%	120.75	8,847.75	636.36	-	9,484.11
6/1/2043	8,738	0.500%	109.84	8,847.84	636.36	-	9,484.20
9/1/2043	8,749	0.500%	98.92	8,847.92	636.36	-	9,484.28
12/1/2043	8,760	0.500%	87.98	8,847.98	636.36	-	9,484.34
3/1/2044	8,771	0.500%	77.03	8,848.03	636.36	-	9,484.39
6/1/2044	8,782	0.500%	66.07	8,848.07	636.36	-	9,484.43
9/1/2044	8,793	0.500%	55.09	8,848.09	636.36	-	9,484.45
12/1/2044	8,803	0.500%	44.10	8,847.10	636.36	-	9,483.46
3/1/2045	8,814	0.500%	33.10	8,847.10	636.36	-	9,483.46
6/1/2045	8,826	0.500%	22.08	8,848.08	636.36	-	9,484.44
9/1/2045	8,837	0.500%	11.05	8,848.05	636.36	-	9,484.41
	985,350		76,362.89	1,061,712.89	76,363.20	35,392.17	1,173,468.26

Notes:

Estimated Monthly Net Debt Service Payments:

$3,456.42 from 9/1/2015 through 8/1/2025 (based on maximum quarterly payment of $10,369.26 and monthly payment rounded up to the nearest cent)

$3,161.49 from 9/1/2025 through 8/1/2045 (based on maximum quarterly payment of $9,484.45 and monthly payment rounded up to the nearest cent)

Admin Fee calculated based on percent of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

Mar 24, 2014 2:15 pm Prepared by Piper Jaffray & Co. (WDA:LOANS-JEFF114) 3

City of Charles Town

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

United Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Charles Town's (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), and (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program) (collectively, the "Series 2018 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2018 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2018 Bonds.

WITNESS my signature on this 27th day of December, 2018.

UNITED BANK

By: _____
Its: Authorized Officer

144220.00043

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

United Bank, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bonds of the City of Charles Town (the "Issuer"), hereby certifies that on the date hereof, the, fully registered (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), and (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program) (collectively, the "Series 2018 Bonds"),, were registered in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature on this 27th day of December, 2018.

UNITED BANK

By: _____
Its: Authorized Officer

144220.00043

City of Charles Town

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 27th day of December, 2018, by and between the City of Charles Town, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, assumed the District Bonds and replaced the District Bonds with its (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program); and (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program) (collectively, the "Series 2018 Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted September 17, 2018, and a Supplemental Resolution of the Issuer duly adopted December 3, 2018 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2018 Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2018 Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2018 Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest, if any, on the Series 2018 Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:
City of Charles Town
101 E. Washington Street
Charles Town, West Virginia 25414
Attention: Mayor

REGISTRAR:
United Bank
500 Virginia Street, East
Charleston, West Virginia 25301

8. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2018 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.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

UNITED BANK

By: _____
Its: Authorized Officer

144220.00043

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT dated this 1st day of March, 2018, is made and entered into by and between the **JEFFERSON COUNTY PUBLIC SERVICE DISTRICT,** a public service district, public corporation and political subdivision of the State of West Virginia with its principal office at 340 Edmond Road, Suite A, Kearneysville, West Virginia, 25430 ("Seller"), and the **CITY OF CHARLES TOWN,** a municipal corporation and political subdivision of the State of West Virginia, having its principal office at P.O. Box 14, Charles Town, West Virginia, 25414, ("Purchaser," and collectively with the Seller, the "Parties").

RECITALS:

A. Whereas, Seller is a public service district, public corporation and political subdivision of the State of West Virginia created by The County Commission of Jefferson County (the "County Commission") pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "PSD Act"), for the purpose of providing potable water service and sanitary sewerage service within its service territory in Jefferson County, West Virginia (the "County");

B. Whereas, the Seller currently owns and operates a potable water storage and distribution system (collectively, the "District Water System") which provides potable water service to approximately 113 customers, all residing in Jefferson County (collectively, the "District Water Customers");

C. Whereas, the Seller has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Water System through the issuance of the following water revenue bonds secured by the net revenues of the District Water System as authorized by the PSD Act;

(i) Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the original aggregate principal amount of $985,350 and outstanding in the principal amount of $916,463 as of December 31, 2017 (the "Series 2014 A Bonds"). The Series 2014 A Bonds mature September, 2045.

December 31, 2017 (the "Series 2014 A Bonds"). The Series 2014 A Bonds mature September, 2045.

(The Series 2014 A Bonds are hereinafter referred to as the "District Water Revenue Bonds").

D. Whereas, the Seller currently owns and operates a sanitary sewerage collection and transmission system (collectively, the "District Sewer System") which provides sanitary sewerage service to approximately 2,565 customers, all residing in Jefferson County (collectively, the "District Sewer Customers");

E. Whereas, the Seller has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Sewer System through the issuance of the following sewer revenue bonds secured by a first lien on the net revenues of the District Sewer System as authorized by the PSD Act;

(i) Sewer Revenue Bonds, Series 1988 B, dated May 5, 1988, issued in the original aggregate principal amount of $425,767 and outstanding in the principal amount of $120,091 as of December 31, 2017 (the "Series 1988 B Bonds"). The Series 1988 B Bonds mature October, 2028.

(ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089 and outstanding in the aggregate principal amount of $44,928 as of December 31, 2017 (the "Series 1998 B Bonds"). The Series 1998 B Bonds mature June, 2019.

(iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039 and outstanding in the aggregate principal amount of $662,039 as of December 31, 2017 (the "Series 1998 C Bonds"). The Series 1998 C Bonds mature June, 2038.

(iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363 and outstanding in the aggregate principal amount of $154,497 as of December 31, 2017 (the "Series 1999 A Bonds"). The Series 1999 A Bonds mature March, 2030.

(v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $1,154,889 and outstanding in the aggregate principal amount of $538,944 as of December 31, 2017 (the "Series 2000 A Bonds"). The Series 2000 A Bonds mature December, 2031.

(vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the original aggregate principal amount of $2,005,000 and outstanding in the aggregate principal amount of $1,403,476 as of December 31, 2017 (the "Series 2008 A Bonds"). The Series 2008 A Bonds mature December, 2038.

(vii) Sewer Refunding Revenue Bonds, 2010 Series A, dated June 24, 2010, issued in the original principal amount of $1,895,000 and outstanding in the aggregate principal amount of $1,300,000 as of December 31, 2017 (the "Series 2010 A Bonds"). The Series 2010 A Bonds mature October, 2028.

(viii) Sewer Revenue Bonds, 2013 Series A, dated June 14, 2013, issued in the original aggregate principal amount of $1,660,000 and outstanding in the aggregate principal amount of $1,270,000 as of December 31, 2017 (the "Series 2013 A Bonds"). The Series 2013 A Bonds mature June, 2028.

(Collectively the above described sewer revenue bonds, excluding the Series 2010 A Bonds and the Series 2013 A Bonds, are hereinafter referred to as the "District Sewer Revenue Bonds").

F. **Whereas**, the Seller has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Sewer System through the issuance of the following sewer revenue bonds secured by a second lien on the net revenues of the District Sewer System, authorized by the PSD Act, which are junior and subordinate to the District Sewer Revenue Bonds, the Series 2010 A Bonds and the Series 2013 A Bonds:

(i) Sewer Revenue Bond (Sewer Project Development), Series 2015, dated November 3, 2015, issued in the original principal amount of $660,000 and outstanding in the aggregate principal amount of $584,271.22 as of December 31, 2017 (the "Series 2015 Bonds"). The Series 2015 Bonds mature November, 2030.

G. **Whereas,** Purchaser is a municipal corporation and political subdivision of the State of West Virginia, and, pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Utility Board Act"), owns both a potable water treatment, storage and distribution system and a sanitary sewerage collection, transmission and treatment system providing service to customers within the municipal boundaries of the Purchaser and the municipal boundaries of the City of Ranson ("Ranson") as well as certain unincorporated areas within the County, and also providing sanitary sewerage service to customers within the municipal boundaries of the Purchaser and providing bulk sewer service to the Seller and Ranson (collectively, the "CTUB System"). The CTUB System is managed and operated on behalf of the Purchaser by the Charles Town Utility Board (the "Utility Board").

G. **Whereas,** the Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller the District Water System and the District Sewer System and to thereafter be the certificated water utility and sewer utility in the Seller's service territory for which Purchaser shall provide certain consideration to Seller as provided herein (collectively, the "Transaction").

NOW THEREFORE, in consideration of the premises and mutual covenants and agreement set forth below the Parties agree as follows:

Section 1: Defined Terms.

For purposes of this Section 1 and this Agreement, the following definitions shall apply (and capitalized terms used in such definitions shall have the meanings assigned in Section

1 or the introductory paragraphs preceding Section 1):

(a) "Assets" shall mean:

(i) All Inventory (including such Inventory in transit as is covered by a vendor purchase order that Purchaser has assumed in writing);

(ii) The Real Property;

(iii) All Fixed Assets;

(iv) All of the service territories, permits, patents, trademarks, service marks, trade names, copyrights, licenses, franchise or dealer licenses and agreements, servitudes, easements, rights-of-way, orders, operating and processing agreements, options, leases of equipment or facilities, other contracts, agreements, rights and privileges, which are owned by Seller, in whole or in part, on in which Seller has an interest; and

(v) All other personal property whether tangible or intangible assets, specifically including, but not limited to, cash, deposit accounts, investment accounts, Capacity Improvement Funds, Capacity Assurance Funds, lending commitments, and accounts receivable.

(b) "Business" shall mean, collectively, the water utility business and sewer utility business currently conducted by the Seller within the Seller's service territory.

(c) "Closing Date" shall mean a date not later than ninety (90) days after all of the Conditions Precedent to Purchaser's obligation to close the Transaction set forth in this Agreement shall have been satisfied.

(d) "Developer Agreements" shall mean the agreements entered into between the Seller and any one or more developers providing for water or sewer service to real property owned by, or under the control of, such developer, which said agreements have been approved by the PSC and which remain unfulfilled by the Seller. Exhibit 1(a) hereto is a list of all Developer Agreements. Seller shall provide copies of all Agreements within thirty (30) days of the date on which this Agreement is executed.

(e) "Fixed Assets" shall mean all tangible personal property owned by the Seller in whole or in part other than Inventory and Real Property, including all water distribution mains, water treatment facilities, water storage tanks, wells, pumps, sewer collection mains, lift stations, manholes, sewer treatment facilities, vehicles, tools and equipment, and any other tangible personal property used and/or useful in providing service to the Seller water customers and Seller sewer customers.

(f) "GAAP" shall mean generally accepted accounting principles consistently applied, as modified by the Public Service Commission of West Virginia ("PSC").

(g) "Capital Improvement Funds" shall mean the sum of all funds in the possession of the Seller paid to the Seller by customers or developers pursuant the Seller's tariff. Attached as Exhibit 1(b) is an itemized list by payors, reflecting payor, real property, date paid and amount, of all Capital Improvement Funds held by Seller.

(h) "Capacity Assurance Agreement" shall mean all agreements entered into by the Seller and a developer to reserve capacity in the District Sewer System. Attached as Exhibit 1(c) is a list of all Capacity Assurance Agreements. Seller shall provide Purchaser copies of all Capacity Assurance Agreements within thirty (30) days of the date on which this Agreement is executed.

(i) "Capacity Assurance Funds" shall mean the sum of all funds in the possession of the Seller paid to Seller by developers pursuant to Capacity Assurance Agreements. Attached as Exhibit 1(b) is an itemized list by payors, reflecting payor, dated provided and amount, of all capital Assurance Funds held by the Seller for which capacity in the District Sewer System has not yet been provided.

(j) "Inventory" shall mean any and all goods, merchandise and other items of tangible personal property owned and held by the Seller at the Locations or held by, or on behalf of, the Seller for sale or other delivery, whether parts or components, finished goods, returned goods or otherwise.

(k) "Land" shall mean all parcels of real property, easements, rights of way, licenses and any other interest in real property owned in whole or in part by the Seller.

(l) "Liabilities" shall mean all existing or future liabilities of the Seller, matured or unmatured, fixed or contingent and known or unknown in respect of any matter or

event arising or occurring prior to the Closing Date which, if unpaid or not otherwise settled or released, would result in a liability to Purchaser or a lien on, or could otherwise be satisfied out of, the Assets.

(m) "Locations" shall mean, collectively, the places of business of the Business in Jefferson County, West Virginia.

(n) "Real Property" shall mean the Land and any and all improvements thereon, specifically including, but not limited to, any buildings, excluding, however, fixtures and other fixtures affixed to the Land or improvements thereon that can be removed without material and irreparable damage to the Land and the improvements thereon (which fixtures are included in the definition of "Fixed Assets," above).

Article 2: Sale and Purchase of Assets.

Subject to the terms and conditions of this Agreement, at the Closing provided for in Section 4, Seller shall convey all of the Assets to Purchaser in consideration for the undertaking by Purchaser of certain financial obligations as specified in this Section 2.

2.1 Purchase Price. As consideration for the acquisition of the Seller Assets the Purchaser shall (collectively, the "Purchase Price"):

2.1.1 Pay to the West Virginia Municipal Bond Commission, on behalf of the Seller, (i) an amount sufficient to pay, on the next prepayment date, the entire outstanding principal of, and accrued interest on, the Seller's Sewer Revenue Bonds, Series 2010 A, and, (ii) an amount sufficient to defease, to the first call date, the entire outstanding principal of, and accrued interest on, the Seller's Sewer Revenue Bonds, Series 2013 A.

2.1.2. Pay the holder of the District's Sewer Revenue Bonds, Series 2015, on behalf of the Seller, an amount sufficient to pay, on the next prepayment date, the entire outstanding principal of, and all accrued interest on, the District's Sewer Revenue Bonds, Series 2015.

2.1.3 Assume the obligations of the Seller set forth in the Developer Agreements and the Capacity Assurance Agreements.

2.1.4 Assume, subject to the consent of the holders thereof, the District's Sewer Revenue Bonds as "Combined Waterworks and Sewerage System Revenue Bonds" of the

Purchaser.

2.1.5 Assume, subject to the consent of the holders thereof, the District's Water Revenue Bonds as "Combined Waterworks and Sewerage System Revenue Bonds" of the Purchaser.

Section 3: Title Matters; Purchaser's Access to, Inspection of and Acceptance of Assets.

3.1 Title Examination. Purchaser shall, at its expense, be responsible for conducting any title examinations and obtaining any title insurance policies it deems advisable. Title to the Real Property shall be good and marketable and insurable at regular rates by a title insurance company licensed in the State of West Virginia selected by Purchaser. The Purchaser shall notify Seller in writing of any title defects to which Purchaser objects disclosed by its examination of the title to the Real Property not later than sixty (60) days after the date of execution of this Agreement. Such notice shall specify any title defects to which Purchaser objects at the conclusion of said sixty (60) day period. Title should be conclusively deemed acceptable to Purchaser except with respect to any matters properly raised by Purchaser within said sixty (60) day period, and any title matters not objected to by Purchaser in the manner and within the time period specified herein shall be deemed to be approved, accepted or waived by Purchaser. In objecting to any defects with respect to Seller's title, Purchaser shall be obligated to act reasonably and agrees not to object to the Permitted Encumbrances or any other matters which would not materially affect the operation of and use of the Real Property for Purchaser's intended use as part of a sewer utility and/or water utility. If Purchaser objects to the condition of the title of any piece of Real Property within said sixty (60) day period, Purchaser may, at its election and in its sole discretion (i) terminate this Agreement without recourse or liability on its part, or (ii) extend the date of Closing an additional period of time, not exceeding one hundred twenty (120) days, during which time Seller shall cure the objections to title at its sole cost and expense.

3.2 Warranty and Representation as to Title.

(a) Seller warrants and represents to Purchaser that it has the authority to convey title to the Assets, free and clear of all claims, liens, or other encumbrances of record,

other than the Permitted Encumbrances (as this term is defined in this Section), by a covenant of special warranty.

"Permitted Encumbrances" means (i) real estate taxes and assessments both general and special, which are a lien but not due and payable at the time of Closing; (ii) those encumbrances created by or affirmatively assumed in writing by Purchaser; (iii) those encumbrances specifically set forth in this Agreement; (iv) zoning ordinances, provided the same do not interfere with Purchaser's intended use, which is as a water utility or sewer utility; (v) state or municipal highways, roads, thoroughfares, and any easements thereof; and (vi) restrictions and utility easements of record, provided the same do not interfere with the Purchaser's intended use as part of a water utility or sewer utility.

(b) Seller shall execute and deliver to Purchaser at Closing such deeds, assignment of easements, assignment of judgments and bill of sale and any certificates of title to any vehicles, covering all of the Assets, which shall contain a special warranty of title as to the Assets subject only to the Permitted Encumbrances. As reasonably required by Buyer, Seller shall also execute and deliver at (and after) the Closing of such other deeds, assignments, bills of sale, certificates of title and other documents or instruments which are appropriate to transfer the Assets to Buyer (collectively, the "Supplemental Assignments").

3.3 Purchaser's Access to Assets.

(a) Purchaser and its authorized employees, agents and contractors shall be provided full access to the Assets for the purpose of conducting inspections for any purpose, specifically including, but not limited to, the existence of any environmental conditions on, under or affecting the Assets which could affect Purchaser's intended use of the Assets. Purchaser agrees to repair any material damage to the Assets resulting from Purchaser's inspections thereof and to indemnify, save and hold Seller harmless, to the extent permitted by law, from and against any and all loss, damage, cost, fine, suit, claim and liability arising as a result of Purchaser's inspections of the Assets. This indemnity shall, to the extent permitted by law, survive termination of this Agreement. Purchaser shall complete such inspections as it deems necessary within one hundred twenty (120) days of the execution of this Agreement by the Parties (the "Inspection Period") and notify the Seller of any objections.

(b) Purchaser's Acceptance of Assets. If Purchaser, in Purchaser's sole discretion, is not satisfied with the results of Purchaser's inspections as referenced above, Purchaser may

notify Seller on or before the expiration of the Inspection Period that Purchaser is not satisfied with the results of Purchaser's inspections and that Purchaser is terminating this Agreement. Such notice shall be sent to Seller in writing on or before the expiration of the Inspection Period and, upon the transmittal of such notice by Purchaser by a method provided in Section 14 hereof, this Agreement shall be deemed terminated, canceled and of no further force or effect.

Section 4: Closing.

4.1 Closing. The Closing of the sale and purchase of the Assets contemplated hereby (the "Closing") shall take place on the Closing Date at 10:00 a.m. at the Law Offices of Hoy G. Shingleton, Jr., 115 Aikens Center, Suite 24, Martinsburg, West Virginia or at such other location as shall be agreed upon by the Parties.

4.2 Delivery of Assets. At the Closing, Seller shall deliver to Purchaser deeds, assignments, bills of sale and certificates of title and all other documentation of ownership, representing all of the Assets in proper form for transfer, thereby transferring to Purchaser good and marketable title to the Assets, free and clear of all liens, encumbrances and security interests of record, except Permitted Encumbrances.

4.3 Simultaneous Transactions. All actions taken and transactions consummated at the Closing shall be deemed to have occurred simultaneously and no such transaction shall be considered consummated unless all are consummated.

Section 5: Conditions Precedent to the Obligations of Purchaser.

All obligations of Purchaser to be discharged under this Agreement at the Closing are subject to the fulfillment, prior to or at the Closing, of each of the following conditions (unless expressly waived in writing by Purchaser at any time at or prior to the Closing):

5.1 The consideration to be given by Purchaser shall not exceed the consideration outlined in Section 2.1 of this Agreement.

5.2 There shall not have been a materially adverse change in the Business or operations of the Business.

5.3 There shall have been no litigation instituted having as an objective the enjoining of the Transaction or seeking a lien on any Asset or any restraint on the operation of the Business which would prevent the acquisition of the District Water System and District Sewer System by

Purchaser.

5.4 Not less than sixty percent (60%) of the duly appointed members of the Public Service Board of the Seller shall have adopted a resolution finding that it is in the best interests of the Seller and its customers to sell the Assets of the District Water System and District Sewer System to Purchaser pursuant to the terms and provisions of this Agreement, after holding a public hearing regarding the sale of the Assets as required by the PSD Act.

5.5 The County Commission shall have approved the sale of the Assets of the District Water System and District Sewer System to the Purchaser pursuant to the terms and provisions of this Agreement as required by the PSD Act.

5.6 The County Commission shall have adopted an Order dissolving the Seller simultaneously with the Closing pursuant to the provisions of the PSD Act.

5.7 The PSC shall have entered a Final Order, to which all appeal periods have expired, which shall: (i) approve the terms and conditions of this Agreement; (ii) authorize the Seller to convey the Assets of the District Water System and District Sewer System; (iii) grant to the Purchaser the authority to acquire and operate the District Sewer System and the District Water System as part of the CTUB System at the tariffs approved by the PSC as of the date of the execution of this Agreement by the Parties; and (iv) approve the dissolution of the Seller simultaneously with the Closing.

5.8 Purchaser shall have received a satisfactory opinion of Seller's counsel, dated the Closing Date, in form and substance satisfactory to Buyer, confirming the matters set forth in Sections 9.1, 9.2, 9.3 and 9.9.

5.9 Purchaser shall have received a satisfactory opinion of Seller's counsel, dated the Closing Date, to the effect that the deeds, assignments and bill of sale, and the supplemental assignments existing at such time are each in proper form for recording in each jurisdiction where the Assets are located, and when duly executed, acknowledged and delivered by Seller to Purchaser will transfer, assign, and convey to Purchaser the Assets, free and clear of all liens and encumbrances of record, except the Permitted Encumbrances.

5.10 Seller's representations and warranties herein shall be true, and Seller shall not be in breach of its covenants contained herein, in all material respects at the Closing.

5.11 All consents, permits and approvals from anyone not a party hereto that may be required in connection with the performance of this Agreement or for Purchaser's operation of

the Business after the Closing Date shall have been obtained. These consents, permits and approvals shall include, but not be limited to, all consents, permits or approvals required to own and operate the Business issued by the West Virginia Department of Health, the West Virginia Division of Environmental Protection and the PSC.

Section 6: Conditions Precedent to the Obligations of Seller.

All obligations of Seller to be discharged under this Agreement at the Closing are subject to the fulfillment, prior to or at the Closing, of each of the following conditions (unless waived in writing by Seller at any time at or prior to the Closing):

6.1 Purchaser shall provide to Seller the consideration as described in Section 2.1 hereof.

6.2 There shall have been no litigation instituted having as an objective the enjoining of the Transaction.

6.3 The Seller shall have obtained approval from the PSC and such other federal or state governmental authorities having any control over the transfer of the District Water System or the District Sewer System to the Purchaser pursuant to the terms of this Agreement.

6.4 Seller shall have received a satisfactory opinion of Purchaser's counsel concerning Purchaser's authority to execute and perform this Agreement, the absence of conflicting agreements and such other matters as Seller's counsel shall reasonably require.

6.5 Seller shall have received a satisfactory opinion of Purchaser's counsel that the Purchaser has adopted changes to Chapter 147 of the Purchaser's Code, effective upon consummation of the Transaction, (i) that the Utility Board will continue, following the acquisition of the Assets, to be comprised of five (5) members, each of which, having the same rights and responsibilities, shall be appointed by the Council of the Purchaser and (ii) within twenty-four (24) months of Closing the Chair of the Utility Board shall be selected by vote of the members of the Utility Board. The Purchaser will further provide that, with respect to one (1) member of the Utility Board, the Council of the Purchaser will consider the recommendation of the County Commission for the individual to serve on the Utility Board as follows:

(a) The County Commission shall have the right to nominate not more than three (3) individuals to serve as a member of the Utility Board, each of whom shall satisfy all of the following criteria:

(i) Resident of Jefferson County, West Virginia;

(ii) Customer of the CTUB served by the Assets of the former "District Sewer System," or extensions thereof; and,

(iii) Customer of the CTUB paying the same prevailing sewer rate charged to the customers of the former "District Sewer System."

The Council of the Purchaser shall timely either (i) select one (1) of the individuals so nominated by the County Commission, or (ii) ask the County Commission to nominate not more than three (3) different individuals, each of whom shall satisfy all of the above criteria, who have not previously been so nominated for consideration by the Council of the Purchaser.

(b) If the Council of the Purchaser requests that the County Commission nominate not more than three (3) additional individuals, each of whom shall satisfy all of the above criteria, the County Commission shall nominate not more than three (3) such individuals who have not previously been nominated for consideration to serve as a member of the Utility Board.

6.6 Seller shall have received a satisfactory opinion of Purchaser's counsel that the Purchaser has adopted changes to Chapter 147 of the Purchaser's Code, effective upon consummation of the Transaction, that the County Commission shall have the right to appoint an individual to serve as the "County Liaison" to the Utility Board, the identity of which individual shall be at the sole and exclusive discretion of the County Commission, and such individual as County Liaison:

(a) Shall have the right to engage in all discussion and debate at meetings of the Utility Board, with the exception of any executive session under W.V. Code Section 6-9A-1, *et seq.*, as would a member of the Utility Board, and such right to engage in discussion and debate of the Utility Board shall not be limited as would a member of the public;

(b) Shall not be voting member of the Utility Board, nor have the right to make or second any motion at a meeting of the Utility Board; and

(c) Shall receive all notices of meetings and documents and other materials provided to any member of the Utility Board either in anticipation of, or prior to, any meeting of the Utility Board, except to the extent any such documents or other materials relate to, or are in connection with, any issue which could be considered in executive session by the Utility Board pursuant to W.V. Code Section 6-9A-1 *et seq.*

Section 7: Representations and Warranties of Seller.

Seller makes the following representations and warranties to Purchaser as of the date of execution of this Agreement and shall confirm same as of the Closing as set forth in this Section 7. References herein to Seller's knowledge or belief or awareness shall include the knowledge of Seller and its employees.

7.1 Organization and Status of Seller. Seller is a public service district, a public corporation and political subdivision of the State of West Virginia, and has the authority to transfer its assets to the Purchaser pursuant to the terms and conditions of this Agreement.

7.2 Authority. Seller has full right and authority to execute this Agreement, to perform its obligations hereunder and to consummate the Transaction provided for herein. All required action with respect to Seller has been taken to approve this Agreement and the Transaction contemplated hereby. This Agreement constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms, subject, however, to the effect of bankruptcy, insolvency, reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The execution and delivery of this Agreement, the consummation of the Transaction contemplated hereby and the performance by Seller of this Agreement in accordance with its terms will not require the approval or consent of, or notice to or filing with, any foreign, federal, state, county, local or other governmental or regulatory body except for approvals required by the federal and state governmental authorities as set forth in Sections 5.4, 5.5, 5.6, 5.7 and 5.11 of this Agreement.

7.3 No Breach. The execution, delivery and performance by Seller of this Agreement does not and will not (i) result in any violation by Seller of any law, rule or regulation, or any judgment, injunction, order, decree, permit or license of any judicial or administrative authority or any arbitrator applicable to Seller, or (ii) conflict with, breach or, with notice or the passage of time or both, result in a breach by Seller of any agreement or lease to which Seller is a party or by which Seller or any of its property may be bound. Seller is not a party to, or bound by, any judgment, injunction or decree of any court or governmental authority, or any such agreement or lease, which in any material respect may restrict or interfere with the performance of this Agreement.

7.4 Financial Statements; Subsequent Events.

7.4.1 Financial Statements. Seller has delivered to Purchaser the Seller's financial statements for the year ending June 30, 2017 relating to the District Water System and District Sewer System.

To the best of Seller's knowledge, after due inquiry:

7.4.2 Absence of Certain Events.

(a) Since the most recent balance sheet, the Seller has not (i) suffered any material adverse change in its business, properties, assets or liabilities, operations or financial conditions; (ii) terminated or amended, or suffered termination or amendment of, any material lease, contract or other agreement to which it is or was a party or under which it is or was bound or possessed rights; (iii) made any material change in accounting method or practice; (iv) entered into any agreement or commitment (whether or not in writing) to take or do any of the actions described in subsections (i) through (iii) above.

(b) Except as fully disclosed in this Agreement or as expressly required or permitted by this Agreement, the Seller has (i) continued the Business, conducted its operations and maintained its equipment and facilities in substantially the same manner as during the preceding fiscal year; (ii) used its best efforts to preserve the good will of its suppliers, customers, potential customers, and all others have relationships with the Business; and (iii) maintained its books, records and accounts in accordance with GAAP applied in the usual, regular and ordinary manner.

7.5 Ownership and Condition of Assets.

7.5.1 Real Property. Seller has the authority to convey title to the Real Property to be purchased by Purchaser pursuant to this Agreement, including, without limitation, easements and rights-of-way, free and clear of all claims, liens or other encumbrances of record, other than the Permitted Encumbrances, by a covenant of special warranty.

7.5.2 Inventory, Accounts Receivable and Other Assets. Seller has the authority to convey title to and ownership of all Assets, specifically including, but not limited to, fixed assets, Inventory, personal property, whether tangible or intangible, and all other assets and properties identified in this Agreement or reflected in the financial statements or acquired by or for the Business since June 30, 2017, except for those Assets disposed of in the ordinary course

of business subsequent to June 30, 2017, free and clear of all liens, encumbrances and restrictions of record, except the Permitted Encumbrances, inchoate liens prescribed by law, liens securing debt provided that fully executed releases for such liens are delivered to Purchaser (and where necessary to the release of such liens, placed of record in the applicable state and local Uniform Commercial Code and real estate records) as of the Closing Date, and other encumbrances and restrictions not securing debt and not materially and adversely affecting the value or utility of Asset, by a covenant of special warranty.

7.6 Liabilities. Except as explicitly permitted hereby, Seller has no knowledge of any liabilities as of June 30, 2017 (accrued, contingent or otherwise) that should have been but were not adequately reflected or adequately reserved against in the financial statements.

Except as so disclosed or agreed to by Purchaser subsequent to June 30, 2017, Seller has not incurred any liability (accrued, contingent or otherwise), including, without limitation, those of the types alluded to in the preceding sentence nor does Seller have any knowledge that any liability will be claimed or incurred in the future.

7.7 Contracts.

9.7.1 Material Contracts. Except as disclosed within thirty (30) days after the execution of this Agreement by the Parties, Seller is not a party to or bound by any written or oral contract, agreement or commitment which may be material to the Business of Seller to be maintained, owned or held as of and after the Closing Date (collectively, "Contracts"). Except for immaterial short term supply and equipment maintenance contracts, ("MROs" [*i.e.*, maintenance, repair and operation]) all Contracts shall be deemed material, and shall be included with the definition of "Contracts". Seller shall furnish the Purchaser copies of all Contracts specifically including, without limitation, MRO Contracts within thirty (30) days after the execution of this Agreement by the Parties.

7.8 Insurance. With respect to the Business (i) Seller has not been refused any insurance, nor has the coverage of Seller been limited by any insurer; (ii) Seller shall indemnify and hold Purchaser harmless from and against any and all claims, costs, expenses, liabilities and premiums relating to any and all such insurance policies and coverage, and any and all illnesses, injuries, claims, claims processing and handling, premiums or other matters related thereto, that occur, relate to or arise out of any time period before the Closing; and (iii) Purchaser shall have no responsibility for or with respect to any such matters and items.

7.9 Litigation, Investigations and Claims.

To the knowledge of the seller:

(a) There is no existing, pending or, to the knowledge of Seller, threatened litigation, arbitration, judgment, court order, decree, injunction, administrative order, claim (including, without limitation, any claim for Withdrawal Liability), dispute or process, against the Assets or the operation of the Business, whether or not allegedly in the name of Seller;

(b) There is no investigation, cessation order or notice of violation or other proceeding, administrative or otherwise, concerning the existence of any fact or facts and there are no conditions which would result in the commencement of any of the foregoing, against the Assets or the operation of the Business (if directly or indirectly related to Seller and its Business) that, in the case of either Sections 7.9(a) or 7.9(b) of this Agreement, would materially and adversely affect the Assets or the operation of the Business or that would prevent or hinder the consummation of the Transaction;

(c) The Seller is not in default in respect of any order, writ, injunction, decree or process of any arbitrator or court or of any foreign or domestic, national, state, municipal or other governmental commission, board, department or agency, which default would have a material adverse effect on either the Assets or the operation of the Business; and

(d) Seller has not received notice with respect to a charge of violation of any provision of any foreign, federal, state or local law or administrative ruling or regulation relating to any material aspect of the Business which violation, if proved, is likely to have a material adverse effect on the Assets or the operation of the Business.

7.10 Completeness of Books and Records. To the knowledge of Seller, the books, records and accounts of the Business accurately and fairly reflect its transactions and assets and liabilities.

7.11 Eminent Domain or Condemnation Proceedings. To the knowledge of the Seller, there are no eminent domain or condemnation proceedings pending or threatened against any parcel or interest in the Real Property.

7.12 Corporate Minutes. Seller shall make its best efforts to make available to Purchaser for inspecting true and correct copies of minutes of meetings of the Public Service Board of the Seller relating to the authorization of this Agreement.

7.13 Taxes. To the knowledge of Seller, there are no unpaid taxes, additions to tax,

penalties, or interest payable by Seller or by any other person that are or could become a lien on the Assets or otherwise adversely affect the operation of the Business. To the knowledge of Seller, the Seller has collected or withheld all amounts required to be collected or withheld by Seller for income, social security, unemployment, excise, or any other taxes or assessments, and all such amounts have been paid to the appropriate governmental agencies or set aside in appropriate accounts for future payment when due. To the knowledge of Seller, the financial statements fully and properly reflect, as of June 30, 2017, the liabilities of Seller for all accrued taxes, additions to tax, and penalties and any interest thereon, and interest of the Business.

7.14 Brokers. All negotiations relative to this Agreement and the Transaction contemplated hereunder have been conducted and carried out by the Seller directly with Purchaser and without the assistance or intervention of any other person so as, through action of the Seller or otherwise, to give rise to any valid claim against Seller for a finder's fee, broker's fee, commission or other like payment. Seller has not engaged, retained or contracted with any finder, broker or similar person with respect to the sale of the Assets, or of any part thereof, so as to incur any liability for a finder's fee, broker fee, commission or like payment in connection with the execution of this Agreement or the consummation of the Transaction contemplated hereunder.

7.15 No Misleading or Untrue Representations or Warranties. To the knowledge of Seller, no representation or warranty in this Agreement, the schedules hereto or any other written statement, certificate or exhibit furnished by Seller pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not materially misleading.

Section 8: Representations and Warranties of Purchaser.

Purchaser makes the following representations and warranties to Seller as of the date of the execution of this Agreement and shall confirm same as of the Closing set forth in this Section 8. References herein to Purchaser's knowledge, belief or awareness shall include the knowledge, belief or awareness of the Utility Board and its employees.

8.1 Organization, Status and Authority of Purchaser. Purchaser is a West Virginia Municipal Corporation and political subdivision of the State of West Virginia and has full right and authority to execute this Agreement, to perform its obligations hereunder and to

consummate the Transaction provided for herein. All required corporate action with respect to Purchaser has been taken to approve this Agreement and the Transaction contemplated hereby. This Agreement constitutes the valid and binding obligation of Purchaser, enforceable in accordance with its terms. The execution and delivery of this Agreement, the consummating of the Transaction contemplated hereby, and the performance by Purchaser of this Agreement in accordance with its terms will not require the approval or consent of, or notice to or filing with any foreign, federal, state, county, local or other governmental or regulatory body except as otherwise disclosed by this Agreement.

8.2 No Breach. The execution, delivery and performance by Purchaser of this Agreement do not and will not (i) result in any violation of any law, rule or regulation, or any judgment, injunction, order, decree, permit or license of any judicial or administrative authority or arbitrator applicable to Purchaser; or (ii) conflict with, breach, or with notice or the passage of time, or both, result in a breach by Purchaser of any agreement or lease to which Purchaser is a party or by which it or any of its property be bound. Purchaser is not a party to, or bound by, any judgment, injunction or decree of any court or governmental authority, or any such agreement or lease, which in any material respect may restrict or interfere with the performance of this Agreement.

8.3 Brokers. All negotiations relative to this Agreement and the Transaction contemplated hereunder have been conducted and carried out by the Purchaser directly with Seller and without the assistance or intervention of any other person so as, through action of the Purchaser or otherwise, to give rise to any valid claim against Purchaser for a finder's fee, broker's fee, commission or other like payment. Purchaser has not engaged, retained or contracted with any finder, broker or similar person with respect to the acquisition of the Assets, or any part thereof, so as to incur any liability for a finder's fee, broker fee, commission or like payment in connection with the execution of this Agreement of the consummation of the Transaction contemplated by this Agreement.

Section 9. Seller's Covenants.

9.1 Conduct of Business Prior to Closing. Seller covenants that during the period from the date of execution of this Agreement by the Parties to and including the Closing Date, except as otherwise expressly required or permitted by this Agreement or approved in writing by

Purchaser:

(a) The Business will be conducted in the normal and ordinary course of business, in its current operating condition, all so as to produce during such period continuous compliance with Section 7.4.2.

(b) There will be no execution of contracts or undertakings of obligations with respect to the Business out of the normal course, specifically including, without limitation, maintenance contracts as well as agreements covered by Section 7.7.1 hereof, without prior written consent of Purchaser.

(c) Maintenance of facilities and equipment will be conducted in accordance with prudent practice.

(d) No sale, option to sell or other disposition of all, or any portion of, the Business will be made or permitted by Seller.

(e) Seller will operate and maintain the Business in a sound and prudent manner and will use its reasonable efforts not to allow any contract, lease, permit, license, franchise, certificate or privilege necessary for the operation of the Business to lapse, terminate or be in default and not to violate or to allow liability to arise under any law or regulation or any permit or license. Seller will timely file all required reports and notices with the applicable governmental agencies and authorities and will properly and timely pay all expenses, bonuses, rentals, royalties or other payments due and owing with respect to the Assets and the operation of the Business.

(f) Seller will not take or fail to take, or suffer Seller to take or fail to take, any action that would result in the representations and warranties of Seller set forth herein to be untrue at the Closing as if made at that time.

(g) Seller will collect and withhold all amounts required to be collected or withheld by Seller for income, social security, unemployment, excise, or any other taxes or assessments in respect of the Business and will pay to the appropriate governmental agencies or set aside in appropriate accounts any such amounts.

(h) Seller covenants that it will not enter into or permit the Business to enter into any collective bargaining agreement or other labor agreement with any union or other labor organization without Purchaser's prior written agreement.

Section 10: Purchaser's Covenants.

10.1 Employment of Existing Personnel. The Purchaser shall, through the Utility Board, offer full-time employment to employees who are active employees of the Seller as of the Closing Date for a period of two (2) years, provided, however, that each individual possesses a valid driver's license, a high school diploma or GED equivalent, and passes a routine pre-screening physical, including testing for illicit drugs, and other examinations and background tests required of all other individuals for employment with the Utility Board. Excepting credited years of service and accrued vacation leave, the terms of employment for any such employee of the Seller subsequently hired by the Utility Board shall be at the sole discretion of the Utility Board, and employees may be terminated or disciplined for cause. The job descriptions and the duties of the employees of the Seller subsequently hired by the Utility Board shall be determined by the Utility Board and all such employees shall be subject to the terms and conditions of the Personnel Policies of the Utility Board. The Utility Board will credit vacation leave accrued on the financial records of the Seller of each such employee of the Seller subsequently hired by the Utility Board. The Utility Board will credit years of service of Seller employees subsequently hired by the Utility Board as if those years of service had been in the service of the Utility Board for all purposes including sick leave / paid time off and retirement benefits.

The Parties agree that employees employed by the Seller and subsequently hired by the Utility Board will be deemed by the Parties to have transferred employment without a break in service and, therefore not be subject to any notice requirement in order to leave the Seller for the Utility Board's employ.

10.2 Extension of Service. The Purchaser shall, at all times in the future, continue to operate the District Water System and District Sewer System in a professional and businesslike manner and will provide potable water and sanitary sewer service to all areas of the County subject only to the limitations in the Utility Board Act, provided, however, that the Purchaser is only willing to extend water or sewer service when such extension of service is technically and economically feasible. The determination as to the technical and financial feasibility of an extension of water or sewer service will be in the sole discretion of the Purchaser, provided, however, the Purchaser specifically agrees and affirms that the rules and regulations of the PSC, as presently existing or as may be modified in the future, specifically

including, but not limited to, 150 W.V. CSR 7.5.5 and 150 W.V. CSR 5.5.5., regulate the provision of public utility service to unserved customers by public utilities and the right of an individual or party seeking service to bring an action at the PSC to enforce such rules and regulations.

10.3 Existing Seller Water Tariff. The Purchaser will agree to enact, prior to the Closing Date, an ordinance modifying the Purchaser's existing tariff for water service to provide that the customers served by the District Water System as of the Closing Date, as well as future customers added thereon, shall be charged at the same tariff for water service from the Seller in existence as of the Closing Date. The Purchaser acknowledges and agrees that the rates and charges under the Seller's existing tariff for water service are higher than such rates and charges for water service from the Purchaser and the Purchaser agrees that it shall exercise its best efforts to equalize the rates and charges for water service of all water customers of the Purchaser within ten (10) years after the Closing Date.

10.4 Existing Seller Sewer Tariff. The Purchaser will agree to enact, prior to the Closing Date, an ordinance modifying the Purchaser's existing tariff for sewer service to provide that the customers served by the District Sewer System as of the Closing Date, as well as future customers added thereon, shall be charged at the same tariff for sewer service from the Seller in existence as of the Closing Date. The Purchaser acknowledges and agrees that the rates and charges under the Seller's existing tariff for sewer service are higher than such rates and charges for sewer service from the Purchaser and the Purchaser agrees that it shall exercise its best efforts to equalize the rates and charges for sewer service of all sewer customers of the Purchaser within ten (10) years after the Closing Date.

Section 11: Miscellaneous Provisions.

11.1 Release and Indemnification. Purchaser, to the extent permitted by law, hereby agrees to indemnify, defend and hold harmless Seller from and against any and all costs, expenses, damages, losses, claims, and liabilities (collectively, the "Losses") incurred by Seller in connection with (i) any failure to perform, breach or default (whether actual or alleged) by Purchaser after Closing under any Contracts and/or Leases of Seller assumed by Purchaser, and (ii) any actions or inactions relating to the Assets that occur or arise after the Closing unless such Losses result from Seller's direct actions. These obligations of Purchaser shall survive Closing.

11.2 Approvals. Seller and Purchaser shall cooperate with one another in promptly complying with all applicable government filing, approval or consent requirements as may be necessary or desirable in order to close the Transaction contemplated hereunder.

Section 12: Termination of the Agreement.

12.1 Purchaser's Rights. If any of the conditions specified in Section 5 of this Agreement are not satisfied at or prior to the Closing, and if any such condition is not waived by Purchaser, and if any such failure is not cured by Seller within thirty (30) days after written notice from the Purchaser of the failure of any such condition, or if the Closing is not held as provided in Section 4.1 for any reason other than a default by Purchaser hereunder, then Purchaser may, without liability, terminate this Agreement by written notice to Seller.

12.2 Seller's Rights. If any of the conditions specified in Section 6 of this Agreement are not satisfied at or prior to the Closing, and if any such condition is not waived by Seller, and if any such failure is not cured by Purchaser within thirty (30) days after written notice from the Seller of the failure of any such condition, or if Closing is not held as provided in Section 4.1 for any reason other than a default hereunder by Seller, then Seller may, without liability, terminate this Agreement by written notice to Purchaser.

12.3 Effect of Termination. In the event of the termination of this Agreement pursuant to the provisions of this Section 11, this Agreement shall become void and have no effect, without any liability on the part of any party hereto or its directors, officers or asset holders, in respect of this Agreement, provided that Sections 13.4 and 13.5 shall survive any such termination.

Section 13: Survival of Representations, Covenants and Warranties.

13.1 Seller's Representations, Agreements, Covenants and Warranties. The representations, warranties, agreements and covenants made by Seller herein, except as they may be fully performed prior to or contemporaneously with the Closing, shall survive the Closing and shall be fully enforceable at law or in equity against Seller and its successors and assigns by Purchaser and its successors and assigns, until the date one (1) year following the Closing Date, provided that the foregoing one-year limitation shall not apply to any liabilities, representations,

warranties, covenants or agreements as to taxes or environmental matters or to any claims made in writing to Seller during such one-year period, or to any Claim or pending actions

13.2 Purchaser's Representations, Agreements, Covenants and Warranties. The representations, warranties, agreements and covenants made by Purchaser herein, except as they may be fully performed prior to or contemporaneously with the Closing, shall survive the Closing and shall be fully enforceable at law or in equity against Purchaser and its successors and assigns by Seller and its successors and assigns, until the date one (1) year following the Closing Date, provided that the foregoing one-year limitation shall not apply to any claims made in writing to Purchaser concerning Purchaser's Covenants set forth in Section 10 .

Section 14: General Provisions.

14.1 Notices. All notices, requests, demands and other communications hereunder shall be furnished to the other party at the address listed below, shall be in writing, and shall be deemed to have been duly given if delivered personally or by certified mail, return receipt requested:

(a) If to Seller to:

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
Attn: General Manager
340 Edmond Road, Suite A
Kearneysville, WV 25430

Copy to:

Hammer, Ferretti & Schiavoni Law Offices
Attn: David Hammer, Esquire
408 W. King Street
Martinsburg, WV 25401

(b) If to Purchaser to:

CITY OF CHARLES TOWN
Attn: City Manager
P.O. Box 14
Charles Town, WV 25414

Copy to:

CHARLES TOWN UTILITY BOARD
Attn: Jane Arnett

832 South George Street
Charles Town, WV 25414

Law Offices of Hoy Shingleton, L.C.
Hoy G. Shingleton, Jr., Esq.
115 Aikens Center, Suite 24
Martinsburg, West Virginia 25405

14.2 Entire Agreement; Amendments. This Agreement supersedes all prior agreements between Purchaser and Seller or any of their respective affiliates (written or oral) relating to the subject matter, is intended as an entire and complete statement of the terms of the Agreement between the Parties, and may be amended or modified only by a written instrument executed by Purchaser and Seller.

14.3 Expenses. Except as otherwise specifically provided herein, each party to this Agreement shall pay its own expenses (including, without limitation, the fees and expenses of their respective agents, representatives, counsel and accountants) incidental to the preparation and carrying out of this Agreement and the consummation of the Transaction.

14.4 Confidentiality. All books, records and documents and information provided to Purchaser in connection with this Transaction shall, to the extent permitted by law, be kept confidential and shall not be disclosed to the officers or employees of the Parties except those individuals whose assistance in the preparation and consummation of the Transaction is in good faith deemed essential. In the event that the Transaction is not consummated for any reason, all books, records and documents delivered by either party shall promptly be returned and no copies shall be retained.

14.5 No Third Party Beneficiaries. Nothing in this Agreement shall entitle any person other than the undersigned Parties, and the persons designated as Purchaser Indemnities or Seller Indemnities, to any claim, cause or action, remedy or right of any kind.

14.6 Law to Govern. This Agreement shall be executed, construed, performed and enforced in accordance with the substantive laws of the State of West Virginia.

14.7 Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

14.8 Counterparts. This Agreement may be executed simultaneously in any number

of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.9 Parties in Interest. This Agreement shall inure to the benefit of and be binding upon Purchaser, and its successors and assigns, and upon Seller, and its successors and assigns. Notwithstanding the foregoing, this Agreement shall not be assigned by any party, in whole or in part, by operation of law or otherwise, except that Purchaser may assign any or all its interests hereunder to the Utility Board.

14.10. Currency. All references to "dollars" or "$" herein are references to lawful money of the United States of America.

14.11 Public Disclosures. Except as required by law, neither party shall make any public disclosure with respect to this Agreement without prior written notice to, and consultation with, the other party.

Section 15: Public Service Commission.

15.1 Both Seller and Purchaser recognize that Seller and the Utility Board are regulated utilities subject to the jurisdiction of the PSC and they acknowledge that this Agreement or any amendments thereto must be approved by the PSC. The Parties covenant and agree that they shall make a diligent effort to secure the permission of the PSC for the approvals required of the PSC pursuant to this Agreement and any amendments thereto, and the Closing Date as set forth herein shall be extended for such time as necessary to receive such approval. In the event that any such approval of the PSC is not secured or reasonably forthcoming then either party, at its option, may declare this Agreement null and void and be released of all obligations hereunder.

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed by their respective officers hereunto duly authorized, as of the date first above written.

SELLER:

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

By: _____

Its: CHAIR

PURCHASER:

CITY OF CHARLES TOWN

By: _____

Its: _____

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed by their respective officers hereunto duly authorized, as of the date first above written.

SELLER:

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

By: _____

Its: _____

PURCHASER:

CITY OF CHARLES TOWN

By: _____

Its: Mayor

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

A RESOLUTION RATIFYING THE ACQUISITION OF THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT WATER SYSTEM AND SEWERAGE SYSTEM BY THE CITY OF CHARLES TOWN

WHEREAS, the Jefferson County Public Service District (the "District") is a public service district authorized pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Code") to operate a water system and a sewerage system within its service territory in Jefferson County, West Virginia;

WHEREAS, the City of Charles Town (the "City") is a political subdivision and municipal corporation of the State of West Virginia, authorized pursuant to the provisions of Chapter 8, Article 20 of the Code to own and operate a combined waterworks and sewerage system within its service territory in Jefferson County, West Virginia;

WHEREAS, the Public Service Commission of West Virginia (the "PSC"), in Case No. 17-0915-PSWD-PC by Commission Order dated June 26, 2018, approved the District and the City to enter into a Purchase Agreement, the District rates be added to the City's tariffs and the dissolution of the District; and

WHEREAS, the District deems it desirous to adopt a Resolution ratifying the acquisition of its water system and sewerage system by the City, and to confirm that all lawful actions required to consummate the acquisition have been completed.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT:

1. That the acquisition of the District's water system and sewerage system by the City, as approved by the Public Service Commission of West Virginia in Case No. 17-0915-PSWD-PC by Commission Order dated June 26, 2018, which also approved the District and the City to enter into the Purchase Agreement, the District rates be added to the City's tariffs and the dissolution of the District, is hereby ratified, confirmed, and, in all respects deemed completed, contingent upon written approval from all bondholders of both the District and the City.

2. The District currently has the following outstanding revenue bonds:

(i) Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767 (the "District 1988 B Bonds");

(ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089 (the "District 1998 B Bonds");

(iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039 (the "District 1998 C Bonds");

(iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363 (the "District 1999 A Bonds");

(v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the aggregate principal amount of $1,154,889 (the "District 2000 A Bonds");

(vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the aggregate principal amount of $2,005,000 (the "District 2008 A Bonds");

(vii) Sewer Refunding Revenue Bonds, 2010 Series A, dated June 24, 2010, issued in the original principal amount of $1,895,000 (the "District 2010 A Bonds");

(viii) Sewer Revenue Bonds, 2013 Series A, dated June 14, 2013, issued in the original aggregate principal amount of $1,660,000 (the "District 2013 A Bonds");

(ix) Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the aggregate principal amount of $985,350 (the "District 2014 Bonds"); and

(x) Sewer Revenue Bond (Sewer Project Development), Series 2015, dated November 3, 2015, issued in the original principal amount of $660,000 (the "District 2015 Bonds").

3. In consideration of the acquisition:

(i) The City shall assume and re-designate the District 1988 B Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority";

(ii) The City shall assume and re-designate the District 1998 B Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program)";

(iii) The City shall assume and re-designate the District 1998 C Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund)";

(iv) The City shall assume and re-designate the District 1999 A Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program)";

(v) The City shall assume and re-designate the District 2000 A Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program)";

(vi) The City shall assume and re-designate the District 2008 A Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program)";

(vii) The City shall assume and re-designate the District 2014 A Bonds as the "City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program)";

(viii) The City shall pay in full the District 2010 A Bonds;

(ix) The City shall pay in full the District 2013 A Bonds; and

(x) The City shall pay in full the District 2015 Bonds.

4. The Chairman and Secretary are hereby authorized and directed to execute and deliver a Deed, Bill of Sale, Assignment of Rights of Way, Assignment of Judgments (if necessary) and any and all other such documents, agreements, instruments and certificates required or desirable in connection with the acquisition and consummation of the Purchase Agreement.

5. The Purchase Agreement dated March 1, 2018 by and between the District and the City, a copy of which is attached hereto and incorporated herein by reference, is ratified, accepted and approved.

6. That all lawful actions required to consummate the acquisition of the District's water system and sewerage system by the City have been completed, and are hereby ratified and confirmed.

7. This Resolution shall be effective immediately following adoption.

Adopted this 11th day of December, 2018.

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Board of the JEFFERSON COUNTY PUBLIC SERVICE DISTRICT on the 11th day of December, 2018.

[SEAL]

Secretary

EXHIBIT A

Purchase Agreement

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT dated this 1st day of March, 2018, is made and entered into by and between the **JEFFERSON COUNTY PUBLIC SERVICE DISTRICT,** a public service district, public corporation and political subdivision of the State of West Virginia with its principal office at 340 Edmond Road, Suite A, Kearneysville, West Virginia, 25430 ("Seller"), and the **CITY OF CHARLES TOWN,** a municipal corporation and political subdivision of the State of West Virginia, having its principal office at P.O. Box 14, Charles Town, West Virginia, 25414, ("Purchaser," and collectively with the Seller, the "Parties").

RECITALS:

A. **Whereas,** Seller is a public service district, public corporation and political subdivision of the State of West Virginia created by The County Commission of Jefferson County (the "County Commission") pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "PSD Act"), for the purpose of providing potable water service and sanitary sewerage service within its service territory in Jefferson County, West Virginia (the "County");

B. **Whereas,** the Seller currently owns and operates a potable water storage and distribution system (collectively, the "District Water System") which provides potable water service to approximately 113 customers, all residing in Jefferson County (collectively, the "District Water Customers");

C. **Whereas,** the Seller has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Water System through the issuance of the following water revenue bonds secured by the net revenues of the District Water System as authorized by the PSD Act;

(i) Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the original aggregate principal amount of $985,350 and outstanding in the principal amount of $916,463 as of December 31, 2017 (the "Series 2014 A Bonds"). The Series 2014 A Bonds mature September, 2045.

December 31, 2017 (the "Series 2014 A Bonds"). The Series 2014 A Bonds mature September, 2045.

(The Series 2014 A Bonds are hereinafter referred to as the "District Water Revenue Bonds").

D. **Whereas**, the Seller currently owns and operates a sanitary sewerage collection and transmission system (collectively, the "District Sewer System") which provides sanitary sewerage service to approximately 2,565 customers, all residing in Jefferson County (collectively, the "District Sewer Customers");

E. **Whereas**, the Seller has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Sewer System through the issuance of the following sewer revenue bonds secured by a first lien on the net revenues of the District Sewer System as authorized by the PSD Act;

(i) Sewer Revenue Bonds, Series 1988 B, dated May 5, 1988, issued in the original aggregate principal amount of $425,767 and outstanding in the principal amount of $120,091 as of December 31, 2017 (the "Series 1988 B Bonds"). The Series 1988 B Bonds mature October, 2028.

(ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089 and outstanding in the aggregate principal amount of $44,928 as of December 31, 2017 (the "Series 1998 B Bonds"). The Series 1998 B Bonds mature June, 2019.

(iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039 and outstanding in the aggregate principal amount of $662,039 as of December 31, 2017 (the "Series 1998 C Bonds"). The Series 1998 C Bonds mature June, 2038.

(iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363 and outstanding in the aggregate principal amount of $154,497 as of December 31, 2017 (the "Series 1999 A Bonds"). The Series 1999 A Bonds mature March, 2030.

(v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $1,154,889 and outstanding in the aggregate principal amount of $538,944 as of December 31, 2017 (the "Series 2000 A Bonds"). The Series 2000 A Bonds mature December, 2031.

(vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the original aggregate principal amount of $2,005,000 and outstanding in the aggregate principal amount of $1,403,476 as of December 31, 2017 (the "Series 2008 A Bonds"). The Series 2008 A Bonds mature December, 2038.

(vii) Sewer Refunding Revenue Bonds, 2010 Series A, dated June 24, 2010, issued in the original principal amount of $1,895,000 and outstanding in the aggregate principal amount of $1,300,000 as of December 31, 2017 (the "Series 2010 A Bonds"). The Series 2010 A Bonds mature October, 2028.

(viii) Sewer Revenue Bonds, 2013 Series A, dated June 14, 2013, issued in the original aggregate principal amount of $1,660,000 and outstanding in the aggregate principal amount of $1,270,000 as of December 31, 2017 (the "Series 2013 A Bonds"). The Series 2013 A Bonds mature June, 2028.

(Collectively the above described sewer revenue bonds, excluding the Series 2010 A Bonds and the Series 2013 A Bonds, are hereinafter referred to as the "District Sewer Revenue Bonds").

F. **Whereas,** the Seller has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Sewer System through the issuance of the following sewer revenue bonds secured by a second lien on the net revenues of the District Sewer System, authorized by the PSD Act, which are junior and subordinate to the District Sewer Revenue Bonds, the Series 2010 A Bonds and the Series 2013 A Bonds:

(i) Sewer Revenue Bond (Sewer Project Development), Series 2015, dated November 3, 2015, issued in the original principal amount of $660,000 and outstanding in the aggregate principal amount of $584,271.22 as of December 31, 2017 (the "Series 2015 Bonds"). The Series 2015 Bonds mature November, 2030.

G. **Whereas,** Purchaser is a municipal corporation and political subdivision of the State of West Virginia, and, pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Utility Board Act"), owns both a potable water treatment, storage and distribution system and a sanitary sewerage collection, transmission and treatment system providing service to customers within the municipal boundaries of the Purchaser and the municipal boundaries of the City of Ranson ("Ranson") as well as certain unincorporated areas within the County, and also providing sanitary sewerage service to customers within the municipal boundaries of the Purchaser and providing bulk sewer service to the Seller and Ranson (collectively, the "CTUB System"). The CTUB System is managed and operated on behalf of the Purchaser by the Charles Town Utility Board (the "Utility Board").

G. **Whereas,** the Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller the District Water System and the District Sewer System and to thereafter be the certificated water utility and sewer utility in the Seller's service territory for which Purchaser shall provide certain consideration to Seller as provided herein (collectively, the "Transaction").

NOW THEREFORE, in consideration of the premises and mutual covenants and agreement set forth below the Parties agree as follows:

Section 1: Defined Terms.

For purposes of this Section 1 and this Agreement, the following definitions shall apply (and capitalized terms used in such definitions shall have the meanings assigned in Section

1 or the introductory paragraphs preceding Section 1):

(a) "Assets" shall mean:

(i) All Inventory (including such Inventory in transit as is covered by a vendor purchase order that Purchaser has assumed in writing);

(ii) The Real Property;

(iii) All Fixed Assets;

(iv) All of the service territories, permits, patents, trademarks, service marks, trade names, copyrights, licenses, franchise or dealer licenses and agreements, servitudes, easements, rights-of-way, orders, operating and processing agreements, options, leases of equipment or facilities, other contracts, agreements, rights and privileges, which are owned by Seller, in whole or in part, on in which Seller has an interest; and

(v) All other personal property whether tangible or intangible assets, specifically including, but not limited to, cash, deposit accounts, investment accounts, Capacity Improvement Funds, Capacity Assurance Funds, lending commitments, and accounts receivable.

(b) "Business" shall mean, collectively, the water utility business and sewer utility business currently conducted by the Seller within the Seller's service territory.

(c) "Closing Date" shall mean a date not later than ninety (90) days after all of the Conditions Precedent to Purchaser's obligation to close the Transaction set forth in this Agreement shall have been satisfied.

(d) "Developer Agreements" shall mean the agreements entered into between the Seller and any one or more developers providing for water or sewer service to real property owned by, or under the control of, such developer, which said agreements have been approved by the PSC and which remain unfulfilled by the Seller. Exhibit 1(a) hereto is a list of all Developer Agreements. Seller shall provide copies of all Agreements within thirty (30) days of the date on which this Agreement is executed.

(e) "Fixed Assets" shall mean all tangible personal property owned by the Seller in whole or in part other than Inventory and Real Property, including all water distribution mains, water treatment facilities, water storage tanks, wells, pumps, sewer collection mains, lift stations, manholes, sewer treatment facilities, vehicles, tools and equipment, and any other tangible personal property used and/or useful in providing service to the Seller water customers and Seller sewer customers.

(f) "GAAP" shall mean generally accepted accounting principles consistently applied, as modified by the Public Service Commission of West Virginia ("PSC").

(g) "Capital Improvement Funds" shall mean the sum of all funds in the possession of the Seller paid to the Seller by customers or developers pursuant the Seller's tariff. Attached as Exhibit 1(b) is an itemized list by payors, reflecting payor, real property, date paid and amount, of all Capital Improvement Funds held by Seller.

(h) "Capacity Assurance Agreement" shall mean all agreements entered into by the Seller and a developer to reserve capacity in the District Sewer System. Attached as Exhibit 1(c) is a list of all Capacity Assurance Agreements. Seller shall provide Purchaser copies of all Capacity Assurance Agreements within thirty (30) days of the date on which this Agreement is executed.

(i) "Capacity Assurance Funds" shall mean the sum of all funds in the possession of the Seller paid to Seller by developers pursuant to Capacity Assurance Agreements. Attached as Exhibit 1(b) is an itemized list by payors, reflecting payor, dated provided and amount, of all capital Assurance Funds held by the Seller for which capacity in the District Sewer System has not yet been provided.

(j) "Inventory" shall mean any and all goods, merchandise and other items of tangible personal property owned and held by the Seller at the Locations or held by, or on behalf of, the Seller for sale or other delivery, whether parts or components, finished goods, returned goods or otherwise.

(k) "Land" shall mean all parcels of real property, easements, rights of way, licenses and any other interest in real property owned in whole or in part by the Seller.

(l) "Liabilities" shall mean all existing or future liabilities of the Seller, matured or unmatured, fixed or contingent and known or unknown in respect of any matter or

event arising or occurring prior to the Closing Date which, if unpaid or not otherwise settled or released, would result in a liability to Purchaser or a lien on, or could otherwise be satisfied out of, the Assets.

(m) "Locations" shall mean, collectively, the places of business of the Business in Jefferson County, West Virginia.

(n) "Real Property" shall mean the Land and any and all improvements thereon, specifically including, but not limited to, any buildings, excluding, however, fixtures and other fixtures affixed to the Land or improvements thereon that can be removed without material and irreparable damage to the Land and the improvements thereon (which fixtures are included in the definition of "Fixed Assets," above).

Article 2: Sale and Purchase of Assets.

Subject to the terms and conditions of this Agreement, at the Closing provided for in Section 4, Seller shall convey all of the Assets to Purchaser in consideration for the undertaking by Purchaser of certain financial obligations as specified in this Section 2.

2.1 Purchase Price. As consideration for the acquisition of the Seller Assets the Purchaser shall (collectively, the "Purchase Price"):

2.1.1 Pay to the West Virginia Municipal Bond Commission, on behalf of the Seller, (i) an amount sufficient to pay, on the next prepayment date, the entire outstanding principal of, and accrued interest on, the Seller's Sewer Revenue Bonds, Series 2010 A, and, (ii) an amount sufficient to defease, to the first call date, the entire outstanding principal of, and accrued interest on, the Seller's Sewer Revenue Bonds, Series 2013 A.

2.1.2. Pay the holder of the District's Sewer Revenue Bonds, Series 2015, on behalf of the Seller, an amount sufficient to pay, on the next prepayment date, the entire outstanding principal of, and all accrued interest on, the District's Sewer Revenue Bonds, Series 2015.

2.1.3 Assume the obligations of the Seller set forth in the Developer Agreements and the Capacity Assurance Agreements.

2.1.4 Assume, subject to the consent of the holders thereof, the District's Sewer Revenue Bonds as "Combined Waterworks and Sewerage System Revenue Bonds" of the

Purchaser.

2.1.5 Assume, subject to the consent of the holders thereof, the District's Water Revenue Bonds as "Combined Waterworks and Sewerage System Revenue Bonds" of the Purchaser.

Section 3: Title Matters; Purchaser's Access to, Inspection of and Acceptance of Assets.

3.1 **Title Examination.** Purchaser shall, at its expense, be responsible for conducting any title examinations and obtaining any title insurance policies it deems advisable. Title to the Real Property shall be good and marketable and insurable at regular rates by a title insurance company licensed in the State of West Virginia selected by Purchaser. The Purchaser shall notify Seller in writing of any title defects to which Purchaser objects disclosed by its examination of the title to the Real Property not later than sixty (60) days after the date of execution of this Agreement. Such notice shall specify any title defects to which Purchaser objects at the conclusion of said sixty (60) day period. Title should be conclusively deemed acceptable to Purchaser except with respect to any matters properly raised by Purchaser within said sixty (60) day period, and any title matters not objected to by Purchaser in the manner and within the time period specified herein shall be deemed to be approved, accepted or waived by Purchaser. In objecting to any defects with respect to Seller's title, Purchaser shall be obligated to act reasonably and agrees not to object to the Permitted Encumbrances or any other matters which would not materially affect the operation of and use of the Real Property for Purchaser's intended use as part of a sewer utility and/or water utility. If Purchaser objects to the condition of the title of any piece of Real Property within said sixty (60) day period, Purchaser may, at its election and in its sole discretion (i) terminate this Agreement without recourse or liability on its part, or (ii) extend the date of Closing an additional period of time, not exceeding one hundred twenty (120) days, during which time Seller shall cure the objections to title at its sole cost and expense.

3.2 **Warranty and Representation as to Title.**

(a) Seller warrants and represents to Purchaser that it has the authority to convey title to the Assets, free and clear of all claims, liens, or other encumbrances of record,

other than the Permitted Encumbrances (as this term is defined in this Section), by a covenant of special warranty.

"Permitted Encumbrances" means (i) real estate taxes and assessments both general and special, which are a lien but not due and payable at the time of Closing; (ii) those encumbrances created by or affirmatively assumed in writing by Purchaser; (iii) those encumbrances specifically set forth in this Agreement; (iv) zoning ordinances, provided the same do not interfere with Purchaser's intended use, which is as a water utility or sewer utility; (v) state or municipal highways, roads, thoroughfares, and any easements thereof; and (vi) restrictions and utility easements of record, provided the same do not interfere with the Purchaser's intended use as part of a water utility or sewer utility.

(b) Seller shall execute and deliver to Purchaser at Closing such deeds, assignment of easements, assignment of judgments and bill of sale and any certificates of title to any vehicles, covering all of the Assets, which shall contain a special warranty of title as to the Assets subject only to the Permitted Encumbrances. As reasonably required by Buyer, Seller shall also execute and deliver at (and after) the Closing of such other deeds, assignments, bills of sale, certificates of title and other documents or instruments which are appropriate to transfer the Assets to Buyer (collectively, the "Supplemental Assignments").

3.3 Purchaser's Access to Assets.

(a) Purchaser and its authorized employees, agents and contractors shall be provided full access to the Assets for the purpose of conducting inspections for any purpose, specifically including, but not limited to, the existence of any environmental conditions on, under or affecting the Assets which could affect Purchaser's intended use of the Assets. Purchaser agrees to repair any material damage to the Assets resulting from Purchaser's inspections thereof and to indemnify, save and hold Seller harmless, to the extent permitted by law, from and against any and all loss, damage, cost, fine, suit, claim and liability arising as a result of Purchaser's inspections of the Assets. This indemnity shall, to the extent permitted by law, survive termination of this Agreement. Purchaser shall complete such inspections as it deems necessary within one hundred twenty (120) days of the execution of this Agreement by the Parties (the "Inspection Period") and notify the Seller of any objections.

(b) Purchaser's Acceptance of Assets. If Purchaser, in Purchaser's sole discretion, is not satisfied with the results of Purchaser's inspections as referenced above, Purchaser may

notify Seller on or before the expiration of the Inspection Period that Purchaser is not satisfied with the results of Purchaser's inspections and that Purchaser is terminating this Agreement. Such notice shall be sent to Seller in writing on or before the expiration of the Inspection Period and, upon the transmittal of such notice by Purchaser by a method provided in Section 14 hereof, this Agreement shall be deemed terminated, canceled and of no further force or effect.

Section 4: Closing.

4.1 Closing. The Closing of the sale and purchase of the Assets contemplated hereby (the "Closing") shall take place on the Closing Date at 10:00 a.m. at the Law Offices of Hoy G. Shingleton, Jr., 115 Aikens Center, Suite 24, Martinsburg, West Virginia or at such other location as shall be agreed upon by the Parties.

4.2 Delivery of Assets. At the Closing, Seller shall deliver to Purchaser deeds, assignments, bills of sale and certificates of title and all other documentation of ownership, representing all of the Assets in proper form for transfer, thereby transferring to Purchaser good and marketable title to the Assets, free and clear of all liens, encumbrances and security interests of record, except Permitted Encumbrances.

4.3 Simultaneous Transactions. All actions taken and transactions consummated at the Closing shall be deemed to have occurred simultaneously and no such transaction shall be considered consummated unless all are consummated.

Section 5: Conditions Precedent to the Obligations of Purchaser.

All obligations of Purchaser to be discharged under this Agreement at the Closing are subject to the fulfillment, prior to or at the Closing, of each of the following conditions (unless expressly waived in writing by Purchaser at any time at or prior to the Closing):

5.1 The consideration to be given by Purchaser shall not exceed the consideration outlined in Section 2.1 of this Agreement.

5.2 There shall not have been a materially adverse change in the Business or operations of the Business.

5.3 There shall have been no litigation instituted having as an objective the enjoining of the Transaction or seeking a lien on any Asset or any restraint on the operation of the Business which would prevent the acquisition of the District Water System and District Sewer System by

Purchaser.

5.4 Not less than sixty percent (60%) of the duly appointed members of the Public Service Board of the Seller shall have adopted a resolution finding that it is in the best interests of the Seller and its customers to sell the Assets of the District Water System and District Sewer System to Purchaser pursuant to the terms and provisions of this Agreement, after holding a public hearing regarding the sale of the Assets as required by the PSD Act.

5.5 The County Commission shall have approved the sale of the Assets of the District Water System and District Sewer System to the Purchaser pursuant to the terms and provisions of this Agreement as required by the PSD Act.

5.6 The County Commission shall have adopted an Order dissolving the Seller simultaneously with the Closing pursuant to the provisions of the PSD Act.

5.7 The PSC shall have entered a Final Order, to which all appeal periods have expired, which shall: (i) approve the terms and conditions of this Agreement; (ii) authorize the Seller to convey the Assets of the District Water System and District Sewer System; (iii) grant to the Purchaser the authority to acquire and operate the District Sewer System and the District Water System as part of the CTUB System at the tariffs approved by the PSC as of the date of the execution of this Agreement by the Parties; and (iv) approve the dissolution of the Seller simultaneously with the Closing.

5.8 Purchaser shall have received a satisfactory opinion of Seller's counsel, dated the Closing Date, in form and substance satisfactory to Buyer, confirming the matters set forth in Sections 9.1, 9.2, 9.3 and 9.9.

5.9 Purchaser shall have received a satisfactory opinion of Seller's counsel, dated the Closing Date, to the effect that the deeds, assignments and bill of sale, and the supplemental assignments existing at such time are each in proper form for recording in each jurisdiction where the Assets are located, and when duly executed, acknowledged and delivered by Seller to Purchaser will transfer, assign, and convey to Purchaser the Assets, free and clear of all liens and encumbrances of record, except the Permitted Encumbrances.

5.10 Seller's representations and warranties herein shall be true, and Seller shall not be in breach of its covenants contained herein, in all material respects at the Closing.

5.11 All consents, permits and approvals from anyone not a party hereto that may be required in connection with the performance of this Agreement or for Purchaser's operation of

the Business after the Closing Date shall have been obtained. These consents, permits and approvals shall include, but not be limited to, all consents, permits or approvals required to own and operate the Business issued by the West Virginia Department of Health, the West Virginia Division of Environmental Protection and the PSC.

Section 6: Conditions Precedent to the Obligations of Seller.

All obligations of Seller to be discharged under this Agreement at the Closing are subject to the fulfillment, prior to or at the Closing, of each of the following conditions (unless waived in writing by Seller at any time at or prior to the Closing):

6.1 Purchaser shall provide to Seller the consideration as described in Section 2.1 hereof.

6.2 There shall have been no litigation instituted having as an objective the enjoining of the Transaction.

6.3 The Seller shall have obtained approval from the PSC and such other federal or state governmental authorities having any control over the transfer of the District Water System or the District Sewer System to the Purchaser pursuant to the terms of this Agreement.

6.4 Seller shall have received a satisfactory opinion of Purchaser's counsel concerning Purchaser's authority to execute and perform this Agreement, the absence of conflicting agreements and such other matters as Seller's counsel shall reasonably require.

6.5 Seller shall have received a satisfactory opinion of Purchaser's counsel that the Purchaser has adopted changes to Chapter 147 of the Purchaser's Code, effective upon consummation of the Transaction, (i) that the Utility Board will continue, following the acquisition of the Assets, to be comprised of five (5) members, each of which, having the same rights and responsibilities, shall be appointed by the Council of the Purchaser and (ii) within twenty-four (24) months of Closing the Chair of the Utility Board shall be selected by vote of the members of the Utility Board. The Purchaser will further provide that, with respect to one (1) member of the Utility Board, the Council of the Purchaser will consider the recommendation of the County Commission for the individual to serve on the Utility Board as follows:

(a) The County Commission shall have the right to nominate not more than three (3) individuals to serve as a member of the Utility Board, each of whom shall satisfy all of the following criteria:

(i) Resident of Jefferson County, West Virginia;

(ii) Customer of the CTUB served by the Assets of the former "District Sewer System," or extensions thereof; and,

(iii) Customer of the CTUB paying the same prevailing sewer rate charged to the customers of the former "District Sewer System."

The Council of the Purchaser shall timely either (i) select one (1) of the individuals so nominated by the County Commission, or (ii) ask the County Commission to nominate not more than three (3) different individuals, each of whom shall satisfy all of the above criteria, who have not previously been so nominated for consideration by the Council of the Purchaser.

(b) If the Council of the Purchaser requests that the County Commission nominate not more than three (3) additional individuals, each of whom shall satisfy all of the above criteria, the County Commission shall nominate not more than three (3) such individuals who have not previously been nominated for consideration to serve as a member of the Utility Board.

6.6 Seller shall have received a satisfactory opinion of Purchaser's counsel that the Purchaser has adopted changes to Chapter 147 of the Purchaser's Code, effective upon consummation of the Transaction, that the County Commission shall have the right to appoint an individual to serve as the "County Liaison" to the Utility Board, the identity of which individual shall be at the sole and exclusive discretion of the County Commission, and such individual as County Liaison:

(a) Shall have the right to engage in all discussion and debate at meetings of the Utility Board, with the exception of any executive session under W.V. Code Section 6-9A-1, *et seq.*, as would a member of the Utility Board, and such right to engage in discussion and debate of the Utility Board shall not be limited as would a member of the public;

(b) Shall not be voting member of the Utility Board, nor have the right to make or second any motion at a meeting of the Utility Board; and

(c) Shall receive all notices of meetings and documents and other materials provided to any member of the Utility Board either in anticipation of, or prior to, any meeting of the Utility Board, except to the extent any such documents or other materials relate to, or are in connection with, any issue which could be considered in executive session by the Utility Board pursuant to W.V. Code Section 6-9A-1 *et seq.*

Section 7: Representations and Warranties of Seller.

Seller makes the following representations and warranties to Purchaser as of the date of execution of this Agreement and shall confirm same as of the Closing as set forth in this Section 7. References herein to Seller's knowledge or belief or awareness shall include the knowledge of Seller and its employees.

7.1 **Organization and Status of Seller.** Seller is a public service district, a public corporation and political subdivision of the State of West Virginia, and has the authority to transfer its assets to the Purchaser pursuant to the terms and conditions of this Agreement.

7.2 **Authority.** Seller has full right and authority to execute this Agreement, to perform its obligations hereunder and to consummate the Transaction provided for herein. All required action with respect to Seller has been taken to approve this Agreement and the Transaction contemplated hereby. This Agreement constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms, subject, however, to the effect of bankruptcy, insolvency, reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The execution and delivery of this Agreement, the consummation of the Transaction contemplated hereby and the performance by Seller of this Agreement in accordance with its terms will not require the approval or consent of, or notice to or filing with, any foreign, federal, state, county, local or other governmental or regulatory body except for approvals required by the federal and state governmental authorities as set forth in Sections 5.4, 5.5, 5.6, 5.7 and 5.11 of this Agreement.

7.3 **No Breach.** The execution, delivery and performance by Seller of this Agreement does not and will not (i) result in any violation by Seller of any law, rule or regulation, or any judgment, injunction, order, decree, permit or license of any judicial or administrative authority or any arbitrator applicable to Seller, or (ii) conflict with, breach or, with notice or the passage of time or both, result in a breach by Seller of any agreement or lease to which Seller is a party or by which Seller or any of its property may be bound. Seller is not a party to, or bound by, any judgment, injunction or decree of any court or governmental authority, or any such agreement or lease, which in any material respect may restrict or interfere with the performance of this Agreement.

7.4 **Financial Statements; Subsequent Events.**

7.4.1 **Financial Statements.** Seller has delivered to Purchaser the Seller's financial statements for the year ending June 30, 2017 relating to the District Water System and District Sewer System.

To the best of Seller's knowledge, after due inquiry:

7.4.2 **Absence of Certain Events.**

(a) Since the most recent balance sheet, the Seller has not (i) suffered any material adverse change in its business, properties, assets or liabilities, operations or financial conditions; (ii) terminated or amended, or suffered termination or amendment of, any material lease, contract or other agreement to which it is or was a party or under which it is or was bound or possessed rights; (iii) made any material change in accounting method or practice; (iv) entered into any agreement or commitment (whether or not in writing) to take or do any of the actions described in subsections (i) through (iii) above.

(b) Except as fully disclosed in this Agreement or as expressly required or permitted by this Agreement, the Seller has (i) continued the Business, conducted its operations and maintained its equipment and facilities in substantially the same manner as during the preceding fiscal year; (ii) used its best efforts to preserve the good will of its suppliers, customers, potential customers, and all others have relationships with the Business; and (iii) maintained its books, records and accounts in accordance with GAAP applied in the usual, regular and ordinary manner.

7.5 **Ownership and Condition of Assets.**

7.5.1 **Real Property.** Seller has the authority to convey title to the Real Property to be purchased by Purchaser pursuant to this Agreement, including, without limitation, easements and rights-of-way, free and clear of all claims, liens or other encumbrances of record, other than the Permitted Encumbrances, by a covenant of special warranty.

7.5.2 **Inventory, Accounts Receivable and Other Assets.** Seller has the authority to convey title to and ownership of all Assets, specifically including, but not limited to, fixed assets, Inventory, personal property, whether tangible or intangible, and all other assets and properties identified in this Agreement or reflected in the financial statements or acquired by or for the Business since June 30, 2017, except for those Assets disposed of in the ordinary course

of business subsequent to June 30, 2017, free and clear of all liens, encumbrances and restrictions of record, except the Permitted Encumbrances, inchoate liens prescribed by law, liens securing debt provided that fully executed releases for such liens are delivered to Purchaser (and where necessary to the release of such liens, placed of record in the applicable state and local Uniform Commercial Code and real estate records) as of the Closing Date, and other encumbrances and restrictions not securing debt and not materially and adversely affecting the value or utility of Asset, by a covenant of special warranty.

7.6 **Liabilities.** Except as explicitly permitted hereby, Seller has no knowledge of any liabilities as of June 30, 2017 (accrued, contingent or otherwise) that should have been but were not adequately reflected or adequately reserved against in the financial statements.

Except as so disclosed or agreed to by Purchaser subsequent to June 30, 2017, Seller has not incurred any liability (accrued, contingent or otherwise), including, without limitation, those of the types alluded to in the preceding sentence nor does Seller have any knowledge that any liability will be claimed or incurred in the future.

7.7 **Contracts.**

9.7.1 Material Contracts. Except as disclosed within thirty (30) days after the execution of this Agreement by the Parties, Seller is not a party to or bound by any written or oral contract, agreement or commitment which may be material to the Business of Seller to be maintained, owned or held as of and after the Closing Date (collectively, "Contracts"). Except for immaterial short term supply and equipment maintenance contracts, ("MROs" [*i.e.*, maintenance, repair and operation]) all Contracts shall be deemed material, and shall be included with the definition of "Contracts". Seller shall furnish the Purchaser copies of all Contracts specifically including, without limitation, MRO Contracts within thirty (30) days after the execution of this Agreement by the Parties.

7.8 **Insurance.** With respect to the Business (i) Seller has not been refused any insurance, nor has the coverage of Seller been limited by any insurer; (ii) Seller shall indemnify and hold Purchaser harmless from and against any and all claims, costs, expenses, liabilities and premiums relating to any and all such insurance policies and coverage, and any and all illnesses, injuries, claims, claims processing and handling, premiums or other matters related thereto, that occur, relate to or arise out of any time period before the Closing; and (iii) Purchaser shall have no responsibility for or with respect to any such matters and items.

7.9 **Litigation, Investigations and Claims.**

To the knowledge of the seller:

(a) There is no existing, pending or, to the knowledge of Seller, threatened litigation, arbitration, judgment, court order, decree, injunction, administrative order, claim (including, without limitation, any claim for Withdrawal Liability), dispute or process, against the Assets or the operation of the Business, whether or not allegedly in the name of Seller;

(b) There is no investigation, cessation order or notice of violation or other proceeding, administrative or otherwise, concerning the existence of any fact or facts and there are no conditions which would result in the commencement of any of the foregoing, against the Assets or the operation of the Business (if directly or indirectly related to Seller and its Business) that, in the case of either Sections 7.9(a) or 7.9(b) of this Agreement, would materially and adversely affect the Assets or the operation of the Business or that would prevent or hinder the consummation of the Transaction;

(c) The Seller is not in default in respect of any order, writ, injunction, decree or process of any arbitrator or court or of any foreign or domestic, national, state, municipal or other governmental commission, board, department or agency, which default would have a material adverse effect on either the Assets or the operation of the Business; and

(d) Seller has not received notice with respect to a charge of violation of any provision of any foreign, federal, state or local law or administrative ruling or regulation relating to any material aspect of the Business which violation, if proved, is likely to have a material adverse effect on the Assets or the operation of the Business.

7.10 **Completeness of Books and Records.** To the knowledge of Seller, the books, records and accounts of the Business accurately and fairly reflect its transactions and assets and liabilities.

7.11 **Eminent Domain or Condemnation Proceedings.** To the knowledge of the Seller, there are no eminent domain or condemnation proceedings pending or threatened against any parcel or interest in the Real Property.

7.12 **Corporate Minutes.** Seller shall make its best efforts to make available to Purchaser for inspecting true and correct copies of minutes of meetings of the Public Service Board of the Seller relating to the authorization of this Agreement.

7.13 **Taxes.** To the knowledge of Seller, there are no unpaid taxes, additions to tax,

penalties, or interest payable by Seller or by any other person that are or could become a lien on the Assets or otherwise adversely affect the operation of the Business. To the knowledge of Seller, the Seller has collected or withheld all amounts required to be collected or withheld by Seller for income, social security, unemployment, excise, or any other taxes or assessments, and all such amounts have been paid to the appropriate governmental agencies or set aside in appropriate accounts for future payment when due. To the knowledge of Seller, the financial statements fully and properly reflect, as of June 30, 2017, the liabilities of Seller for all accrued taxes, additions to tax, and penalties and any interest thereon, and interest of the Business.

7.14 **Brokers.** All negotiations relative to this Agreement and the Transaction contemplated hereunder have been conducted and carried out by the Seller directly with Purchaser and without the assistance or intervention of any other person so as, through action of the Seller or otherwise, to give rise to any valid claim against Seller for a finder's fee, broker's fee, commission or other like payment. Seller has not engaged, retained or contracted with any finder, broker or similar person with respect to the sale of the Assets, or of any part thereof, so as to incur any liability for a finder's fee, broker fee, commission or like payment in connection with the execution of this Agreement or the consummation of the Transaction contemplated hereunder.

7.15 **No Misleading or Untrue Representations or Warranties.** To the knowledge of Seller, no representation or warranty in this Agreement, the schedules hereto or any other written statement, certificate or exhibit furnished by Seller pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not materially misleading.

Section 8: Representations and Warranties of Purchaser.

Purchaser makes the following representations and warranties to Seller as of the date of the execution of this Agreement and shall confirm same as of the Closing set forth in this Section 8. References herein to Purchaser's knowledge, belief or awareness shall include the knowledge, belief or awareness of the Utility Board and its employees.

8.1 **Organization, Status and Authority of Purchaser.** Purchaser is a West Virginia Municipal Corporation and political subdivision of the State of West Virginia and has full right and authority to execute this Agreement, to perform its obligations hereunder and to

consummate the Transaction provided for herein. All required corporate action with respect to Purchaser has been taken to approve this Agreement and the Transaction contemplated hereby. This Agreement constitutes the valid and binding obligation of Purchaser, enforceable in accordance with its terms. The execution and delivery of this Agreement, the consummating of the Transaction contemplated hereby, and the performance by Purchaser of this Agreement in accordance with its terms will not require the approval or consent of, or notice to or filing with any foreign, federal, state, county, local or other governmental or regulatory body except as otherwise disclosed by this Agreement.

8.2 No Breach. The execution, delivery and performance by Purchaser of this Agreement do not and will not (i) result in any violation of any law, rule or regulation, or any judgment, injunction, order, decree, permit or license of any judicial or administrative authority or arbitrator applicable to Purchaser; or (ii) conflict with, breach, or with notice or the passage of time, or both, result in a breach by Purchaser of any agreement or lease to which Purchaser is a party or by which it or any of its property be bound. Purchaser is not a party to, or bound by, any judgment, injunction or decree of any court or governmental authority, or any such agreement or lease, which in any material respect may restrict or interfere with the performance of this Agreement.

8.3 Brokers. All negotiations relative to this Agreement and the Transaction contemplated hereunder have been conducted and carried out by the Purchaser directly with Seller and without the assistance or intervention of any other person so as, through action of the Purchaser or otherwise, to give rise to any valid claim against Purchaser for a finder's fee, broker's fee, commission or other like payment. Purchaser has not engaged, retained or contracted with any finder, broker or similar person with respect to the acquisition of the Assets, or any part thereof, so as to incur any liability for a finder's fee, broker fee, commission or like payment in connection with the execution of this Agreement of the consummation of the Transaction contemplated by this Agreement.

Section 9. Seller's Covenants.

9.1 Conduct of Business Prior to Closing. Seller covenants that during the period from the date of execution of this Agreement by the Parties to and including the Closing Date, except as otherwise expressly required or permitted by this Agreement or approved in writing by

Purchaser:

(a) The Business will be conducted in the normal and ordinary course of business, in its current operating condition, all so as to produce during such period continuous compliance with Section 7.4.2.

(b) There will be no execution of contracts or undertakings of obligations with respect to the Business out of the normal course, specifically including, without limitation, maintenance contracts as well as agreements covered by Section 7.7.1 hereof, without prior written consent of Purchaser.

(c) Maintenance of facilities and equipment will be conducted in accordance with prudent practice.

(d) No sale, option to sell or other disposition of all, or any portion of, the Business will be made or permitted by Seller.

(e) Seller will operate and maintain the Business in a sound and prudent manner and will use its reasonable efforts not to allow any contract, lease, permit, license, franchise, certificate or privilege necessary for the operation of the Business to lapse, terminate or be in default and not to violate or to allow liability to arise under any law or regulation or any permit or license. Seller will timely file all required reports and notices with the applicable governmental agencies and authorities and will properly and timely pay all expenses, bonuses, rentals, royalties or other payments due and owing with respect to the Assets and the operation of the Business.

(f) Seller will not take or fail to take, or suffer Seller to take or fail to take, any action that would result in the representations and warranties of Seller set forth herein to be untrue at the Closing as if made at that time.

(g) Seller will collect and withhold all amounts required to be collected or withheld by Seller for income, social security, unemployment, excise, or any other taxes or assessments in respect of the Business and will pay to the appropriate governmental agencies or set aside in appropriate accounts any such amounts.

(h) Seller covenants that it will not enter into or permit the Business to enter into any collective bargaining agreement or other labor agreement with any union or other labor organization without Purchaser's prior written agreement.

Section 10: Purchaser's Covenants.

10.1 Employment of Existing Personnel. The Purchaser shall, through the Utility Board, offer full-time employment to employees who are active employees of the Seller as of the Closing Date for a period of two (2) years, provided, however, that each individual possesses a valid driver's license, a high school diploma or GED equivalent, and passes a routine pre-screening physical, including testing for illicit drugs, and other examinations and background tests required of all other individuals for employment with the Utility Board. Excepting credited years of service and accrued vacation leave, the terms of employment for any such employee of the Seller subsequently hired by the Utility Board shall be at the sole discretion of the Utility Board, and employees may be terminated or disciplined for cause. The job descriptions and the duties of the employees of the Seller subsequently hired by the Utility Board shall be determined by the Utility Board and all such employees shall be subject to the terms and conditions of the Personnel Policies of the Utility Board. The Utility Board will credit vacation leave accrued on the financial records of the Seller of each such employee of the Seller subsequently hired by the Utility Board. The Utility Board will credit years of service of Seller employees subsequently hired by the Utility Board as if those years of service had been in the service of the Utility Board for all purposes including sick leave / paid time off and retirement benefits.

The Parties agree that employees employed by the Seller and subsequently hired by the Utility Board will be deemed by the Parties to have transferred employment without a break in service and, therefore not be subject to any notice requirement in order to leave the Seller for the Utility Board's employ.

10.2 Extension of Service. The Purchaser shall, at all times in the future, continue to operate the District Water System and District Sewer System in a professional and businesslike manner and will provide potable water and sanitary sewer service to all areas of the County subject only to the limitations in the Utility Board Act, provided, however, that the Purchaser is only willing to extend water or sewer service when such extension of service is technically and economically feasible. The determination as to the technical and financial feasibility of an extension of water or sewer service will be in the sole discretion of the Purchaser, provided, however, the Purchaser specifically agrees and affirms that the rules and regulations of the PSC, as presently existing or as may be modified in the future, specifically

including, but not limited to, 150 W.V. CSR 7.5.5 and 150 W.V. CSR 5.5.5., regulate the provision of public utility service to unserved customers by public utilities and the right of an individual or party seeking service to bring an action at the PSC to enforce such rules and regulations.

10.3 Existing Seller Water Tariff. The Purchaser will agree to enact, prior to the Closing Date, an ordinance modifying the Purchaser's existing tariff for water service to provide that the customers served by the District Water System as of the Closing Date, as well as future customers added thereon, shall be charged at the same tariff for water service from the Seller in existence as of the Closing Date. The Purchaser acknowledges and agrees that the rates and charges under the Seller's existing tariff for water service are higher than such rates and charges for water service from the Purchaser and the Purchaser agrees that it shall exercise its best efforts to equalize the rates and charges for water service of all water customers of the Purchaser within ten (10) years after the Closing Date.

10.4 Existing Seller Sewer Tariff. The Purchaser will agree to enact, prior to the Closing Date, an ordinance modifying the Purchaser's existing tariff for sewer service to provide that the customers served by the District Sewer System as of the Closing Date, as well as future customers added thereon, shall be charged at the same tariff for sewer service from the Seller in existence as of the Closing Date. The Purchaser acknowledges and agrees that the rates and charges under the Seller's existing tariff for sewer service are higher than such rates and charges for sewer service from the Purchaser and the Purchaser agrees that it shall exercise its best efforts to equalize the rates and charges for sewer service of all sewer customers of the Purchaser within ten (10) years after the Closing Date.

Section 11: Miscellaneous Provisions.

11.1 Release and Indemnification. Purchaser, to the extent permitted by law, hereby agrees to indemnify, defend and hold harmless Seller from and against any and all costs, expenses, damages, losses, claims, and liabilities (collectively, the "Losses") incurred by Seller in connection with (i) any failure to perform, breach or default (whether actual or alleged) by Purchaser after Closing under any Contracts and/or Leases of Seller assumed by Purchaser, and (ii) any actions or inactions relating to the Assets that occur or arise after the Closing unless such Losses result from Seller's direct actions. These obligations of Purchaser shall survive Closing.

11.2 **Approvals.** Seller and Purchaser shall cooperate with one another in promptly complying with all applicable government filing, approval or consent requirements as may be necessary or desirable in order to close the Transaction contemplated hereunder.

Section 12: Termination of the Agreement.

12.1 **Purchaser's Rights.** If any of the conditions specified in Section 5 of this Agreement are not satisfied at or prior to the Closing, and if any such condition is not waived by Purchaser, and if any such failure is not cured by Seller within thirty (30) days after written notice from the Purchaser of the failure of any such condition, or if the Closing is not held as provided in Section 4.1 for any reason other than a default by Purchaser hereunder, then Purchaser may, without liability, terminate this Agreement by written notice to Seller.

12.2 **Seller's Rights.** If any of the conditions specified in Section 6 of this Agreement are not satisfied at or prior to the Closing, and if any such condition is not waived by Seller, and if any such failure is not cured by Purchaser within thirty (30) days after written notice from the Seller of the failure of any such condition, or if Closing is not held as provided in Section 4.1 for any reason other than a default hereunder by Seller, then Seller may, without liability, terminate this Agreement by written notice to Purchaser.

12.3 **Effect of Termination.** In the event of the termination of this Agreement pursuant to the provisions of this Section 11, this Agreement shall become void and have no effect, without any liability on the part of any party hereto or its directors, officers or asset holders, in respect of this Agreement, provided that Sections 13.4 and 13.5 shall survive any such termination.

Section 13: Survival of Representations, Covenants and Warranties.

13.1 **Seller's Representations, Agreements, Covenants and Warranties.** The representations, warranties, agreements and covenants made by Seller herein, except as they may be fully performed prior to or contemporaneously with the Closing, shall survive the Closing and shall be fully enforceable at law or in equity against Seller and its successors and assigns by Purchaser and its successors and assigns, until the date one (1) year following the Closing Date, provided that the foregoing one-year limitation shall not apply to any liabilities, representations,

warranties, covenants or agreements as to taxes or environmental matters or to any claims made in writing to Seller during such one-year period, or to any Claim or pending actions

13.2 **Purchaser's Representations, Agreements, Covenants and Warranties.** The representations, warranties, agreements and covenants made by Purchaser herein, except as they may be fully performed prior to or contemporaneously with the Closing, shall survive the Closing and shall be fully enforceable at law or in equity against Purchaser and its successors and assigns by Seller and its successors and assigns, until the date one (1) year following the Closing Date, provided that the foregoing one-year limitation shall not apply to any claims made in writing to Purchaser concerning Purchaser's Covenants set forth in Section 10 .

Section 14: General Provisions.

14.1 **Notices.** All notices, requests, demands and other communications hereunder shall be furnished to the other party at the address listed below, shall be in writing, and shall be deemed to have been duly given if delivered personally or by certified mail, return receipt requested:

(a) If to Seller to:

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT
Attn: General Manager
340 Edmond Road, Suite A
Kearneysville, WV 25430

Copy to:

Hammer, Ferretti & Schiavoni Law Offices
Attn: David Hammer, Esquire
408 W. King Street
Martinsburg, WV 25401

(b) If to Purchaser to:

CITY OF CHARLES TOWN
Attn: City Manager
P.O. Box 14
Charles Town, WV 25414

Copy to:

CHARLES TOWN UTILITY BOARD
Attn: Jane Arnett

832 South George Street
Charles Town, WV 25414

Law Offices of Hoy Shingleton, L.C.
Hoy G. Shingleton, Jr., Esq.
115 Aikens Center, Suite 24
Martinsburg, West Virginia 25405

14.2 Entire Agreement; Amendments. This Agreement supersedes all prior agreements between Purchaser and Seller or any of their respective affiliates (written or oral) relating to the subject matter, is intended as an entire and complete statement of the terms of the Agreement between the Parties, and may be amended or modified only by a written instrument executed by Purchaser and Seller.

14.3 Expenses. Except as otherwise specifically provided herein, each party to this Agreement shall pay its own expenses (including, without limitation, the fees and expenses of their respective agents, representatives, counsel and accountants) incidental to the preparation and carrying out of this Agreement and the consummation of the Transaction.

14.4 Confidentiality. All books, records and documents and information provided to Purchaser in connection with this Transaction shall, to the extent permitted by law, be kept confidential and shall not be disclosed to the officers or employees of the Parties except those individuals whose assistance in the preparation and consummation of the Transaction is in good faith deemed essential. In the event that the Transaction is not consummated for any reason, all books, records and documents delivered by either party shall promptly be returned and no copies shall be retained.

14.5 No Third Party Beneficiaries. Nothing in this Agreement shall entitle any person other than the undersigned Parties, and the persons designated as Purchaser Indemnities or Seller Indemnities, to any claim, cause or action, remedy or right of any kind.

14.6 Law to Govern. This Agreement shall be executed, construed, performed and enforced in accordance with the substantive laws of the State of West Virginia.

14.7 Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

14.8 Counterparts. This Agreement may be executed simultaneously in any number

of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.9 Parties in Interest. This Agreement shall inure to the benefit of and be binding upon Purchaser, and its successors and assigns, and upon Seller, and its successors and assigns. Notwithstanding the foregoing, this Agreement shall not be assigned by any party, in whole or in part, by operation of law or otherwise, except that Purchaser may assign any or all its interests hereunder to the Utility Board.

14.10. Currency. All references to "dollars" or "$" herein are references to lawful money of the United States of America.

14.11 Public Disclosures. Except as required by law, neither party shall make any public disclosure with respect to this Agreement without prior written notice to, and consultation with, the other party.

Section 15: Public Service Commission.

15.1 Both Seller and Purchaser recognize that Seller and the Utility Board are regulated utilities subject to the jurisdiction of the PSC and they acknowledge that this Agreement or any amendments thereto must be approved by the PSC. The Parties covenant and agree that they shall make a diligent effort to secure the permission of the PSC for the approvals required of the PSC pursuant to this Agreement and any amendments thereto, and the Closing Date as set forth herein shall be extended for such time as necessary to receive such approval. In the event that any such approval of the PSC is not secured or reasonably forthcoming then either party, at its option, may declare this Agreement null and void and be released of all obligations hereunder.

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed by their respective officers hereunto duly authorized, as of the date first above written.

SELLER:

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

By: _____

Its: CHAIR

PURCHASER:

CITY OF CHARLES TOWN

By: _____

Its: _____

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed by their respective officers hereunto duly authorized, as of the date first above written.

SELLER:

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

By: _____

Its: _____

PURCHASER:

CITY OF CHARLES TOWN

By: _____

Its: Mayor

EXHIBIT
1(a)

Jefferson County Public Service District
Alternate Mainline Extension Agreements

Development	AMEA PSC Case No.	Date Initiated	Date Approved	Status	Development Complete?	Total Development EDU's Requested	Total EDU's Used	Total EDU's Remaining
Breckenridge	97-1468-PSD-ECN	N/A	2/26/1998	Final	Yes	282	282	0
Briar Run	97-1468-PSD-ECN	N/A	2/26/1998	Final	No	436	305	131
Briar Run Addenda	07-0294-PSD-PC	3/07	1/14/2009	Final				
Cambridge	97-1468-PSD-ECN	N/A	2/26/1998	Final	No	151	79	72
Cambridge Addenda	07-0294-PSD-PC	3/07	1/14/2009	Final				
Spruce Hill North	05-1487-PSD-PC	11/05	8/1/2006	Final	Yes	119	119	0
Harvest Hills	05-0908-PSD-PC	6/05	11/18/2005	Final, not signed	No	392	0	392
Beallair (and 2017 Amendment)	02-1791-PSD-PC	11/02	3/2/2004	Final	No	304	89	215
Jefferson Crossing	94-0739-PSWD-PC	8/94	4/11/1995	Final	No	287	287	0
Green Meadows/County Green	02-0650-PSD-PC	5/02	7/17/2002	Final	Yes	77	77	0
Jefferson Avenue	02-0069-PSD-PC	1/02	7/1/2002	Final	Yes	7	7	0
Norborne Glebe	00-1272-PSD-PC	6/05	11/18/2005	Final	No	1000	237	763
Robelei	95-0563-PSD-PC	6/95	10/12/1995	Final	Yes	34	34	0
Greenfield/Hillside	01-1694-PSD-PC	1/02	7/7/2002	Final	Yes	47	47	0
Thorn Hill LLC	10-1085-PSD-PC	7/10	2/16/2011	Final, not signed by Board	No	179	0	179
Jefferson County BOE (Driswood Elementary School)	09-2056-PSD-PC	12/09	1/25/2010	Final	Yes	17	17	0
Aspen Greens (and 2013 Amendment)	12-1567-PSD-PC	11/12	6/6/2013	Final	No	203	6	197
Crosswinds	94-0753-PSD-PC	8/94	3/14/1995	Final	Yes	147	147	0
Burns Street	N/A	N/A	N/A	Signed 3/11/2005 but not submitted to PSC	No	16	11	5
Burr Business Park-Phase II (Planning Ltr 1/11/2007)	N/A	N/A	N/A	N/A	No	200	40	160
Breckenridge East	N/A	N/A	N/A	Drafted, not submitted to PSC	No	694	0	694
Butler Farms	N/A	N/A	N/A	Drafted, not submitted to PSC	No	71	0	71
Daniels Forest	N/A	N/A	N/A	Drafted, not submitted to PSC	No	192	0	192
Stonecrest	N/A	N/A	N/A	Drafted, not submitted to PSC	No	225	0	225
Jefferson Heights North (Planning letter 10/27/14)	N/A	N/A	N/A	N/A	No	135	0	135
Kings Crossing (Planning Letter 1/10/2005)	N/A	N/A	N/A	N/A	No	276	0	276

EXHIBIT
1(b)

Capital Improvement Fee/Capital Assurance Fee

Development	Total CIF Collected	Charles Town CIF	PSD CIF	Total CAF Collected	Charles Town CAF	PSD CAF
Huntfield	$127,351.00	$127,351.00				
County Green	$94,668.00	$94,668.00				
Aspen Greens	$22,449.00	$7,889.00	$14,560.00			
Norborne Glebe	$644,991.00	$227,654.00	$353,962.00			
Briar Run	$177,597.00	$132,986.00	$44,611.00			
Burns Street	$19,159.00	$19,159.00				
Cambridge	$22,018.00	$15,778.00	$6,240.00			
Robelei	$1,127.00	$1,127.00				
Jefferson Crossing II	$844,218.00	$328,678.28	$450,539.72			
Miscellaneous	$168,391.00	$39,445.00	$120,821.00			
Burr Industrial Park	$148,558.50	$92,977.50	$37,706.00			
Walnut Grove	$3,381.00	$3,381.00				
Beallair Homes	$172,151.00	$104,811.00	$47,840.00	$57,726.00	$20,286.00	$37,440.00
Harris & Owens- Holiday Inn	$72,128.00	$72,128.00				
Breckenridge	$2,254.00	$2,254.00				
Spruce Hill North	$440,017.00	$134,113.00	$305,904.00			
Total	$2,960,458.50	$1,404,399.78	$1,382,183.72	$57,726.00	$20,286.00	$37,440.00

* Please see additional worksheets for development details

Total Paid to Joint Utility Account					
Year	Total EDUs	CIF per EDU (Charles Town)	Total EDUs CAF	CAFper EDU (Charles Town)	Total Deposits
FY-06	466.5	$1,127			$525,745.50
FY-07	96	$1,127			$108,192.00
FY-08	86	$1,127			$96,922.00
FY-09	38	$1,127			$42,826.00
* FY-09 (Refunded, Briar Run Lots 293-300)	(8)	$1,127			($9,016.00)

FY-10	37	$1,127			$41,699.00
FY-11	74.64	$1,127			$84,119.28
* FY-11 (Refunded, Cambridge Lots 75,87,89,90 and 112 & Ricky French, 19 Flow. Acres)	(6)	$1,127			($6,762.00)
FY-12	26	$1,127			$29,302.00
FY-13	76	$1,127			$85,652.00
FY-14	91	$1,127			$102,557.00
FY-14 (Refunded-Beallair Lot 98)	(1)	$1,127			($1,127.00)
*FY-14 (Refunded, 30 EDUs-Lot 18 Burr)	(30)	$1,127			($33,810.00)
FY-15	138	$1,127			$155,526.00
*FY-15 (Refunded, 1 EDU-85 Belvedere)	(1)	$1,127			($1,127.00)
FY-16	67	$1,127			$75,509.00
FY-17	69	$1,127			$77,763.00
FY-18	26	$1,127	18	$1,127	$49,588.00
Total	1245.14				$1,423,558.78
* Please see additional worksheets for deposit details					

New Service added since 12/12/05 $6.10	
Development	Total EDUs
County Green	38
Norborne Glebe	183
Briar Run	105
Burns Street	16
Cambridge	5
Jefferson Crossing II	268.24
Miscellaneous	35
Burr Industrial Park	49.5
Walnut Grove	2
Beallair Homes	88
Harris & Owens- Holiday Inn	64

Breckenridge	2
Spruce Hill North	119
Aspen Green	3
Total	977.74

EXHIBIT
1(c)

Capacity Assurance Agreements

Development	AMEA PSC Case No.	Date Initiated	Status	Development Complete?	Total EDU's Requested	Total EDU's Used	Total EDU's Remaining
Beallair		11/6/2017		No	18	0	18

RESOLUTION NO.
JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

WHEREAS the Common Council of the City of Charles Town has approved the Asset Acquisition of the Jefferson County Public Service District;

WHEREAS there is an immediate need for the Jefferson County Public Service District to acknowledge and transfer the check signing authority to the Charles Town Utility Board, upon the completion of the Asset Acquisition;

WHEREAS this Resolution applies to all MVB Account Numbers as attached;

WHEREAS the information requested by MVB Bank is on file from an existing Charles Town Utility Board account;

WHEREAS this Resolution dated December 11, 2018, a Charles Town Utility Board Resolution dated December 14, 2018 and new signature cards will be delivered to MVB Bank on December 15, 2018;

NOW, THEREFORE, BE IT RESOLVED, that the Jefferson County Public Service District hereby adopts this Resolution to acknowledge and transfer the MVB accounts as listed and attached to the Charles Town Utility Board effective upon the closing date of the Asset Acquisition to the City of Charles Town.

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Chairman Roger Forshee Jr.

Attest:

Dated: December 11, 2018

Jefferson County Public Service District MVB Accounts to be Transferred to Charles Town Utility Board				
Upon the Completion of the Asset Acquisition				
Water				
Bank Name	Account Name	Account Number	Balance as of 6/30/18	Address
MVB Bank	Water Operating	3100947601	4,862.85	301 Virginia Ave, Fairmont WV 26554
MVB Bank	Water Security Deposit	3100883601	5,100.20	
MVB Bank	Water Renewal & Replacement Account	95451	2,228.83	
MVB Bank	Water SB-234 Reserve Fund	108790	3,285.46	
Sewer				
Bank Name	Account Name	Account Number		Address
MVB Bank	Online Payments Account	23957	6,914.95	301 Virginia Ave, Fairmont WV 26554
MVB Bank	New Sewer Customer Deposit	3100882801	180,275.50	
MVB Bank	Renewal & Replacement	60000272835	146,581.20	
MVB Bank	Sewer Operating	3100860701	198,569.00	
MVB Bank	New WWTP- CIF-CAF	33499	152,632.21	
MVB Bank	2015 8-13 Waste Water CIF-CAF	86045	478,453.10	
MVB Bank	Sewer SB-234 Reserve Fund	108782	263,807.56	

RESOLUTION 2017- 13

Proposal for Acquisition of Assets of Jefferson County Public Service District

Whereas, the City of Charles Town (the "City") is a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said state (the "State");

Whereas, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Utility Board Act"), and pursuant to an Ordinance enacted by the City on March 16, 1998 (the "Utility Board Ordinance"), the City created the Charles Town Utility Board (the "Utility Board") and vested in the Utility Board the responsibility for the supervision, management, control and operation of the potable water treatment, storage and distribution system and sanitary sewerage collection and treatment system of the City (collectively, the "Combined Utility System");

Whereas, the City has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the Combined Utility System through the issuance of several series of Combined Waterworks and Sewerage System Revenue Bonds which are secured by the gross revenues of the Combined Utility System, several series of which Combined Waterworks and Sewerage System Revenue Bonds are currently outstanding (collectively, the "Charles Town Bonds");

Whereas, Jefferson County Public Service District (the "District") is a public service district, public corporation and political subdivision created by The County Commission of Jefferson County (the "County Commission") pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "PSD Act"), to provide potable water service and sanitary sewerage service within its service territory in Jefferson County, West Virginia (the "County");

Whereas, the District currently owns and operates a potable water storage and distribution system (collectively, the "District Water System") which provides potable water service to approximately 113 customers, all residing in Jefferson County (collectively, the "District Water Customers");

Whereas, the District has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Water System through the issuance of the following water revenue bonds secured by the net revenues of the District Water System as authorized by the PSD Act;

(i) Water Revenue Bonds, Series 2014 A, dated April 17, 2014, issued in the original aggregate principal amount of $985,350 and outstanding in the

EXHIBIT 2

principal amount of $947,175 (12.31.2016) (the "Series 2014 A Bonds"). The Series 2014 A Bonds mature September, 2045.

(The Series 2014 A Bonds are hereinafter referred to as the "District Water Bonds").

Whereas, the District currently owns and operates a sanitary sewerage collection and transmission system (collectively, the "District Sewer System") which provides sanitary sewerage service to approximately 2,565 customers, all residing in Jefferson County (collectively, the "District Sewer Customers");

Whereas, the District has financed, and in certain instances, refinanced, the design, acquisition, construction and equipping of the District Sewer System through the issuance of the following sewer revenue bonds secured by the net revenues of the District Sewer System as authorized by the PSD Act;

(i) Sewer Revenue Bonds, Series 1988 B, dated May 5, 1988, issued in the original aggregate principal amount of $425,767 and outstanding in the principal amount of $131,008 (12.31.2016) (the "Series 1988 B Bonds"). The Series 1988 B Bonds mature October, 2028.

(ii) Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089 and outstanding in the aggregate principal amount of $74,880 (12.31.2016) (the "Series 1998 B Bonds"). The Series 1998 B Bonds mature June, 2019.

(iii) Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039 and outstanding in the aggregate principal amount of $662,039 (12.31.2016) (the "Series 1998 C Bonds"). The Series 1998 C Bonds mature June, 2038.

(iv) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363 and outstanding in the aggregate principal amount of $167,109 (12.31.2016) (the "Series 1999 A Bonds"). The Series 1999 A Bonds mature March, 2030.

(v) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $1,154,889 and outstanding in the aggregate principal amount of $577,440 (12.31.2016) (the "Series 2000 A Bonds"). The Series 2000 A Bonds mature December, 2031.

(vi) Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the original aggregate principal amount of $2,005,000 and outstanding in the aggregate principal amount of $1,470,312 (12.31.2016) (the "Series 2008 A Bonds"). The Series 2008 A Bonds mature December, 2038.

(vii) Sewer Refunding Revenue Bonds, 2010 Series A, dated June 24, 2010, issued in the original principal amount of $1,895,000 and outstanding in the aggregate principal amount of $1,395,000 (12.31.2016) (the "Series 2010 A Bonds"). The Series 2010 A Bonds mature October, 2028.

(viii) Sewer Revenue Bonds, 2013 Series A, dated June 14, 2013, issued in the original principal amount of $1,660,000 and outstanding in the aggregate principal amount of $1,385,000 (12.31.2016) (the "Series 2013 A Bonds"). The Series 2013 A Bonds mature June, 2028.

(Collectively the above described sewer revenue bonds, excluding the Series 2010 A Bonds and the Series 2013 A Bonds, are hereinafter referred to as the "District Sewer Revenue Bonds").

Whereas, the City, the Utility Board, the District, the City of Ranson ("Ranson") and the County Commission have been actively involved in discussions regarding the possible combination of the water service and/or sewer service provided by the City, the District and Ranson;

Whereas, the County Commission entered an order on April 6, 2017 proposing the dissolution of the District and scheduling a public hearing to determine whether dissolution of the District will be conducive to the preservation of public health, comfort and convenience for the customers served by the District;

Whereas, the County Commission held a public hearing on May 4, 2017 to consider public comments on whether the dissolution of the District will be conducive to the preservation of public health, comfort and convenience for the customers served by the District;

Whereas, the City, pursuant to the recommendation of the Utility Board, has determined to offer this resolution to clarify the terms and conditions on which the City will consider acquiring the assets of the District Water System and the District Sewer System (collectively, the "District Assets").

Now Therefore be it Resolved, by the Council of the City of Charles Town:

1. The City will agree to acquire the District Assets subject to the terms and provisions contained in this Resolution and to be provided for in an Asset Purchase Agreement

(the "Purchase Agreement") by and between the City and the District. The Purchase Agreement shall, at a minimum, contain the following provisions:

a. The District Assets shall be conveyed to the City and shall become part of the Combined Utility System, managed by and through the Utility Board.

b. As consideration for the acquisition of the District Assets, the City shall pay to the West Virginia Municipal Bond Commission, on behalf of the District, an amount sufficient to pay, on the next prepayment date, the entire outstanding principal of, and interest accrued on, the District's Sewer Revenue Bonds, Series 2010 A, and an amount sufficient to defease, to the first call date, the entire outstanding principal of, and accrued interest on, the District's Sewer Revenue Bonds, Series 2013 A.

c. As further consideration for the acquisition of the District Water System, the City agrees, subject to the consent of the holders thereof, to assume the District's Water Revenue Bonds as "Combined Waterworks and Sewerage System Revenue Bonds" of the City.

d. As further consideration for the acquisition of the District Sewer System, the City agrees, subject to the consent of the holders thereof, to assume the District's Sewer Revenue Bonds as "Combined Waterworks and Sewerage System Revenue Bonds" of the City.

e. The City, through the Utility Board, will offer full-time employment to employees who are active employees of the District as of the date of acquisition of the District Assets for a period of two (2) years, provided, however, that each individual possesses a valid driver's license, a high school diploma or GED equivalent, and passes a routine pre-screening physical, including testing for illicit drugs, and other examinations and background tests required of all other individuals for employment with the Utility Board. The terms of employment for any such employee of the District subsequently hired by the Utility Board shall be at the sole discretion of the Utility Board, and employees may be terminated or disciplined for cause. The job descriptions and the duties of the employees of the District subsequently hired by the Utility Board shall be determined by the Utility Board and all such employees

shall be subject to the terms and conditions of the Personnel Policies of the Utility Board.

f. The City will provide in the Purchase Agreement that the Utility Board will continue, following the acquisition of the District Assets, to be comprised of five (5) members, each of which shall be appointed by the City Council, and the City Manager of the City shall be the Chair of the Utility Board. The City will further provide that, with respect to one (1) member of the Utility Board, the City Council will consider the recommendation of the County Commission for the individual to serve on the Utility Board as follows:

i. The County Commission shall have the right to nominate not more than three (3) individuals who are residents of Jefferson County, who do not reside within the corporate boundaries of the City or Ranson, but do reside within the service territory of the City, to serve as a member of the Utility Board. The City Council may select one (1) of the individuals so nominated by the County Commission, or the City Council may ask the County Commission to nominate not more than three (3) different residents of Jefferson County who have not previously been so nominated for consideration by City Council.

ii. If the City Council requests that the County Commission nominate not more than three (3) additional residents of Jefferson County as provided above, the County Commission shall nominate not more three (3) residents of Jefferson County who have not previously been so nominated for consideration to serve on the governing board of the Utility Board

g. The City will provide in the Purchase Agreement that the County Commission shall, so long as, following the acquisition of the District Assets by the City, customers of the City which were previously provided sanitary sewerage collection and treatment service by the District Sewer System are subject to rates and charges for sanitary sewerage collection and treatment service which are not identical to the rates and charges for sanitary sewerage collection and treatment service then being charged to customers of the Combined Utility System which were receiving sanitary sewerage collection and treatment service as of the date of the acquisition of the District Assets by the City, have the right to

appoint an individual to serve as the "County Liaison" to the Utility Board, the identity of which individual shall be at the sole and exclusive discretion of the County Commission, and such individual as County Liaison:

i. Shall have the right to engage in all discussion and debate at meetings of the Utility Board, with the exception of any executive session under W.V. Code Section 6-9A-1 *et seq.*, as would a member of the Utility Board, and such right to engage in discussion and debate shall not be limited as would a member of the public;

ii. Shall not be a voting member of the Utility Board, nor have the right to make or second any motion at a meeting of the Utility Board; and

iii. Shall receive all notices of meetings and documents and other materials provided to any member of the Utility Board either in anticipation of, or prior to, any meeting of the Utility Board, except to the extent any such documents or other materials relate to, or are in connection with, any issue which could be considered in Executive Session by the Utility Board pursuant to W.V. Code Section 6-9A-1 *et seq.*

h. The Purchase Agreement shall be subject to a reasonable due diligence period as set forth in the Purchase Agreement.

i. The acquisition of the District Assets by the City, and the assumption of the District Water Bonds and the District Sewer Bonds, shall be subject to the City to obtaining (i) a certificate from an independent certified public accountant that the rates being charged the customers of the Combined Utility System following the acquisition are sufficient to meet the rate covenants and parity tests applicable to the Charles Town Bonds; and/or (ii) the consent of the holders of the Charles Town Bonds, where required, to the issuance of bonds sufficient to pay the amounts required to pay in full the outstanding principal of, and interest on the District Series 2010 A Bonds and to defease to the first call date the District's Series 2013 A Bonds.

j. The Purchase Agreement shall be subject to the review and approval of the Public Service Commission of West Virginia.

k. The Purchase Agreement shall expressly provide that, upon the occurrence of certain specified events, specifically including, but not limited to, a determination by the Council of the City, in its sole discretion, that, as a result of information obtained during the due diligence process or from any other source, the acquisition of the District Assets is not in the best interests of the citizens of the City, the Council of the City may adopt a resolution rescinding this Resolution and invalidating and annulling the Purchase Agreement, and each party to the Purchase Agreement shall hold every other party thereto harmless as to any expenses incurred, or damages alleged, by such party related in any way to the matters set forth in this Resolution and the Purchase Agreement.

2. The City will, at all times in the future, continue to operate the Combined Utility System in a professional and businesslike manner and will provide potable water and sanitary sewer service to all areas of the County subject only to the limitations in the Utility Board Act, provided, however, that the City is only willing to extend water or sewer service when such extension of service is technically and economically feasible. The determination as to the technical and financial feasibility of an extension of water or sewer service will be in the sole discretion of the City; provided, however, the City specifically agrees and affirms that the rules and regulations of the Public Service Commission, as presenting existing or as may be modified in the future, specifically including, but not limited to, 150 W.V. CSR 7.5.5 and 150 W.V. CSR 5.5.5., regulate the provision of public utility service to unserved customers by public utilities and the right of an individual or party seeking service to bring an action at the Public Service Commission to enforce such rules and regulations.

3. The City will agree to enact, prior to the acquisition of the assets of the District Water System, an ordinance modifying the City's existing tariff for water service to provide that the customers served by the District Water System as of the date of the City's acquisition of the assets thereof, as well as future customers added thereon, shall be charged at the same tariff for water service from the District in existence as of the date of the City's acquisition of the District Water System. The City acknowledges and agrees that the rates and charges under the District's existing tariff for water service are higher than such rates and charges for water service from the City and the City agrees that it shall exercise its best efforts to equalize the rates and charges for water service of all water customers of the City within ten (10) years of the City's acquisition of the District Water System.

4. The City will agree to enact, prior to the acquisition of the assets of the District Sewer System, an ordinance modifying the City's existing tariff for sewer service to provide that the customers served by the District Sewer System as of the date of the City's acquisition of the assets thereof, as well as future customers added thereon, shall be charged at the same tariff for sewer service from the District in existence as of the date of the City's acquisition of the District Sewer System. The City acknowledges and agrees that the rates and charges under the District's existing tariff for sewer service are higher than such rates and

charges for sewer service from the City and the City agrees that it shall exercise its best efforts to equalize the rates and charges for sewer service of all sewer customers of the City within ten (10) years of the City's acquisition of the District Sewer System.

5. This Resolution shall become effective immediately upon adoption.

Scott Rogers
Mayor, City of Charles Town

ATTEST:

City Clerk

THE COUNTY COMMISSION OF JEFFERSON COUNTY

Charles Town, West Virginia

IN RE: DISSOLUTION OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

ORDER OF DISSOLUTION

IT IS HEREBY ORDERED that The County Commission of Jefferson County ("Commission"), pursuant to notice and by its own motion pursuant to W.Va. Code §16-13A-2, and following a public hearing hereon, hereby dissolves Jefferson County Public Service District ("District") and accepts a plan for the acquisition of the District's assets and customers, and either the assumption, or defeasance or payment in full, of the District's Sewer Revenue Bonds and Water Revenue Bonds (collectively, the "Acquisition"), presented by the City of Charles Town ("City") as reflected and set forth in Resolution 2017-13 properly adopted by the Charles Town City Council, subject to the consent and approval of the Public Service Commission of West Virginia ("PSC").

In ordering the dissolution of the District, the Commission finds that the dissolution of the District is both necessary and feasible and the Acquisition by the City will be conducive to the preservation and enhancement of the public health, comfort and convenience of those persons residing in the District's service territory, as well as in the best interests of all of the citizens of Jefferson County. In particular, the Commission finds that the dissolution and Acquisition:

1. Will decrease administrative costs associated with the provision of potable water and sanitary sewerage service to the existing customers of the District;
2. Will not significantly increase, if at all, the monthly debt service attributable to the assets of the District after the Acquisition;
3. Will consolidate, simplify and increase coordination and efficiency of the planning, administration and operations and maintenance functions in the provision of potable water and sanitary sewerage service in Jefferson County, West Virginia; and,
4. Mitigate future rate increases for potable water and sewerage services for customers of the District as of the date hereof.

IT IS FURTHER ORDERED that the Commission's legal counsel shall transmit a copy of this "Order of Dissolution" to the Public Service Commission of West Virginia for consent and approval.

The Commission notes that this Order was approved by a 3-2 vote of its Commissioners, with President Onoszko and Commissioners Compton and Hudson voting in the affirmative and Commissioners Noland and Tabb voting in the negative.

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EXHIBIT 1

Dated and Entered, this 6th day of July 2017, by the undersigned on behalf of The County Commission of Jefferson County.

THE COUNTY COMMISSION OF
JEFFERSON COUNTY

Peter Onoszko, President

JEFFERSON COUNTY COMMISSION

Charles Town, West Virginia

IN RE: DISSOLUTION OF THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

11:46 AM APR 07 2017 PSC EXEC SEC DIV

ORDER

IT IS HEREBY ORDERED that the Jefferson County Commission ("Commission"), by its own motion pursuant to W.Va. Code §16-13A-2, proposes the dissolution of the Jefferson County Public Service District ("District"), contingent upon a plan for the acquisition of the District's assets and customers being presented to the County Commission by the Charles Town City Council and/or its Utility Board, to be ratified by the County Commission, and subject to the consent and approval of the Public Service Commission of West Virginia.

IT IS FURTHER ORDERED that the Jefferson County Commission shall hold a hearing and take evidence on the proposed dissolution of the Jefferson County Public Service District on Thursday, May 4, 2017, beginning at 7:00 p.m. in the County Commission meeting room in the Old Charles Town Library located at 200 E. Washington Street, Charles Town, West Virginia 25414. All persons residing in or owning or having any interest in property in the territory of the Jefferson County Public Service District or the City of Charles Town may be heard for or against the proposed dissolution.

At the hearing, the Jefferson County Commission shall consider and determine the feasibility of the dissolution of the Jefferson County Public Service District. The Commission shall also make a determination as to whether the dissolution of the District and the acquisition of its assets and customers by the City of Charles Town will be conducive to the preservation of public health, comfort and convenience in the District's service territory.

The Commission directs its staff to publish notice of said hearing as a CLAS I Legal Advertisement on or before April 24, 2017. A copy of said legal advertisement is attached to this Order.

The Jefferson County Commission notes that this Order was approved by a 3-2 vote of its Commissioners, with President Onoszko and Commissioners Compton and Hudson voting in the affirmative and Commissioners Noland and Tabb voting in the negative.

Dated and Entered this 6th day of April 2017 by the undersigned on behalf of the Jefferson County Commission.

JEFFERSON COUNTY COMMISSION

Peter Onoszko, President

BEFORE THE COUNTY COMMISSION OF JEFFERSON COUNTY

WEST VIRGINIA

IN RE: DISSOLUTION OF THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Notice of Proposal and Hearing

Please take notice that the Jefferson County Commission shall hold a hearing and take evidence on the proposed dissolution of the Jefferson County Public Service District on Thursday, May 4, 2017, beginning at 7:00 p.m. in the County Commission meeting room in the Old Charles Town Library located at 200 E. Washington Street, Charles Town, West Virginia 25414. The proposed dissolution is contingent upon a plan for the acquisition of the District's assets and customers being presented to the County Commission by the Charles Town City Council and/or its Utility Board, for ratification by the County Commission, and subject to the consent and approval of the Public Service Commission of West Virginia.

All persons residing in or owning or having any interest in property in the territory of the Jefferson County Public Service District or the City of Charles Town may be heard for or against the proposed dissolution. A copy of the Order proposing dissolution of the Jefferson County Public Service District is available from the Office of the Clerk of the County Commission of Jefferson County, West Virginia, located at 100 E. Washington Street, Charles Town, West Virginia 25414.

WEST VIRGINIA
Water Development Authority
Celebrating 44 Years of Service 1974 - 2018

December 27, 2018

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program);

and

Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 B
(Bank Qualified)

CONSENT

In reliance upon the certificate of J.C. Kunkle & Associates, A.C., independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, as bond counsel, the undersigned duly authorized representative for the West Virginia Water Development Authority (the "Authority"), the present holder of the Prior Bonds, hereinafter defined, hereby consents to:

(i) the conveyance of all of the sewerage system assets of Jefferson County Public Service District, including, but not limited to, all real property, personal property, tangible property, intangible property, rights of way, easements, judgments, licenses and permits,

(ii) the acquisition of Jefferson County Public Service District by the City of Charles Town;

(iii) the assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1988 B (West Virginia Water Development Authority), dated May 5, 1998, issued in the original aggregate principal amount of $425,767 (the "District Series 1988 B Bonds") by the City of Charles Town and the replacement of the District Series 1988 B Bonds as the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), (the "Series 2018 A-1 Bonds);

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304)414-0865
www.wvwda.org

(iv) the assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia SRF Program), dated June 25, 1998, issued in the original aggregate principal amount of $599,089 (the "District Series 1998 B Bonds") by the City of Charles Town and the replacement of the District Series 1998 B Bonds as the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-2 (West Virginia SRF Program), (the "Series 2018 A-2 Bonds");

(v) the assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1998 C (West Virginia Infrastructure Fund), dated June 25, 1998, issued in the original aggregate principal amount of $662,039 (the "District Series 1998 C Bonds") by the City of Charles Town and the replacement of the District Series 1998 C Bonds as the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund) (the "Series 2018 A-3 Bonds");

(vi) the assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated December 8, 1999, issued in the original aggregate principal amount of $378,363 (the "District Series 1999 A Bonds") by the City of Charles Town and the replacement of the District Series 1999 A Bonds as the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program) (the "Series 2018 A-4 Bonds");

(vii) the assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the aggregate principal amount of $1,154,889 (the "District Series 2000 A Bonds") by the City of Charles Town and the replacement of the District Series 2000 A Bonds as the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program) (the "Series 2018 A-5 Bonds");

(viii) the assumption of the Jefferson County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 18, 2008, issued in the aggregate principal amount of $2,005,000 (the "District Series 2008 A Bonds") by the City of Charles Town and the replacement of the District Series 2008 A Bonds as the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program) (the "Series 2018 A-6 Bonds");

(x) the assumption of the Jefferson County Public Service District Water Revenue Bonds, Series 2014 A (West Virginia DWTRF Program), dated April 17, 2014, issued in the aggregate principal amount of $985,350 (the "District Series 2014 A Bonds") by the City of Charles Town and the replacement of the District Series 2014 A Bonds as the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program) (the "Series 2018 A-7 Bonds");

(xi) the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 B (Bank Qualified), dated December 27, 2018, issued in the original aggregate principal amount of $3,065,000, by the City of Charles Town; and

(ix) the issuance of the Series 2018 A-1 Bonds, Series 2018 A-2 Bonds, Series 2018 A-3 Bonds, Series A-4 Bonds, Series A-5 Bonds, Series A-6 Bonds, Series A-7 Bonds and Series 2018 B Bonds on a parity with respect to liens, pledge and source of and security for payment with the Issuer's:

1. Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of $413,629 (the "Series 1987 B Bonds");

2. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of $295,916 (the "Series 1988 B-1 Bonds");

3. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of $558,000 (the "Series 1988 B-2 Bonds");

4. Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of $117,480 (the "Series 1989 B Bonds");

5. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of $437,601 (the "Series 1998 Bonds");

6. Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of $3,163,781 (the "Series 2000 A Bonds");

7. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of $1,100,000 (the "Series 2002 A Bonds");

8. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of $3,600,000 (the "Series 2002 B Bonds");

9. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of $912,458 (the "Series 2010 A Bonds");

10. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 B Bonds");

11. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $1,250,000 (the "Series 2010 C Bonds");

12. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of $500,000 (the "Series 2010 D Bonds");

13. Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, issued in the original aggregate principal amount of $13,147,192 (the "Series 2011 A Bonds");

14. Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $591,977 (the "Series 2013 A Bonds");

15. Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), dated June 18, 2014, issued in the original aggregate principal amount of $4,058,900 (the "Series 2014 A Bonds") (collectively referred to as the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Sheila A. Miller

Authorized Representative

BILL OF SALE

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT, political subdivision of the State of West Virginia ("Seller"), does hereby grant, sell, transfer and assign all of Sellers personal property relating in any matter to its water utility or sewer utility businesses of Seller.

Seller warrants and represents: (i) Seller is the lawful owner of the Property and have the right to sell the Property free and clear of all liens or encumbrances thereon and will warrant and defend this right against all lawful claims and demands of all persons, and (ii) the Property is in such condition that it will permit the City of Charles to use the Property in accordance with its intended purpose, and (iii) City of Charles Town is entitled to the rights and remedies afforded a Buyer in the Uniform Commercial Code. Attached hereto are exhibits listing the assets being conveyed by this Bill of Sale; however, the Seller acknowledges that the list may not be enclussive of all assets and it is the intent of the Seller to convey to the City of Charles Town all assets of JCPSD related in any manner to its water and sewer utility businesses.

IN WITNESS WHEREOF, Seller, intending to be bound by the terms hereof, have signed this Bill of Sale as of the 11th day of December, 2018.

SELLER:

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

By: _____

Its: Chairman