

**REGIONAL DEVELOPMENT AUTHORITY OF
CHARLESTON-KANAWHA COUNTY,
WEST VIRGINIA (METROPOLITAN REGION)**

**WATERWORKS REVENUE BONDS, SERIES 2005 A
(TAXABLE)**

DATE OF CLOSING: JUNE 28, 2005

STEPTOE & JOHNSON PLLC

Vincent A. Collins, Esquire
1085 Van Voorhis Road
United Center, Suite 400
Morgantown, WV 26505
(304)598-8161
collinva@steptoe-johnson.com

John C. Stump, Esquire
707 Virginia Street, East
Bank One Center, Seventh Floor
Charleston, WV 25326
(304)353-8196
stumpjc@steptoe-johnson.com

REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA
COUNTY, WEST VIRGINIA METROPOLITAN REGION

RESOLUTION AUTHORIZING THE PERMANENT FINANCING OF THE COSTS OF ADDITIONS AND BETTERMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION THROUGH THE ISSUANCE BY THE ISSUER OF \$260,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS REVENUE BONDS, SERIES 2005 A (TAXABLE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region (the "Issuer") is a public corporation with perpetual existence and a county development authority within the meaning of the Act, duly created

REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA
COUNTY, WEST VIRGINIA METROPOLITAN REGION

RESOLUTION AUTHORIZING THE PERMANENT FINANCING OF THE COSTS OF ADDITIONS AND BETTERMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION THROUGH THE ISSUANCE BY THE ISSUER OF \$260,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS REVENUE BONDS, SERIES 2005 A (TAXABLE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region (the "Issuer") is a public corporation with perpetual existence and a county development authority within the meaning of the Act, duly created

pursuant to a resolution adopted by the County Commission of Kanawha County (the "County Commission") on May 31, 1967.

B. The Issuer presently owns and operates a public waterworks system. However, the County Commission has heretofore deemed it necessary and desirable for the health and welfare of the inhabitants of Kanawha County that there be acquired and constructed additions and betterments to the public waterworks system of the Issuer, consisting of the construction and installation of water line extensions to water consumers on Upper Frame Road, including a 100,000-gallon water tank, a booster station and certain 8-inch, 6-inch and 2-inch water line to serve approximately 175 new customers, and 27 water line extensions to water consumers in various rural locations in Kanawha County, West Virginia, including the construction and installation of 8-inch, 6-inch and 2-inch water line, 25 fire hydrants and related service lines and meters to serve approximately 163 new customers, together with all appurtenant facilities (collectively, the "Project" or the "Series 2005 A Facilities").

C. The Issuer and the County Commission have heretofore determined that the customers served by the Issuer should pay a surcharge to the County Commission (the "Surcharges"), which Surcharges have heretofore been approved by the West Virginia Public Service Commission.

D. It is deemed necessary for the Issuer to issue its Waterworks Revenue Bonds, Series 2005 A (Taxable), in the total aggregate principal amount of \$260,000 (the "Series 2005 A Bonds"), initially to be represented by a single bond, to permanently finance the Costs of the Project (as hereinafter defined). Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2005 A Bonds for a period not exceeding 6 months after completion of acquisition and construction of the Project; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2005 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2005 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. It is in the best interests of the Issuer that its Series 2005 A Bonds be sold to the Original Purchaser (as hereinafter defined) pursuant to terms agreed to by the Issuer and the Original Purchaser.

F. There are outstanding obligations of the Issuer which will rank senior and prior to the Series 2005 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Public Waterworks Revenue Bonds, Series 2000 A (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$8,705,000, and Public Waterworks Lease Revenue Bonds, Series 2000 B (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$2,950,000 (the "Series 2000 B Bonds" and together with the Series 2000 A Bonds, collectively referred to herein as the "Prior Bonds"). There are also outstanding the Water Revenue Notes, Series 1999 A, of the Issuer, issued in the original aggregate principal amount of \$7,000,000 (the "Prior Notes"). The Series 2005 A Bonds shall be junior and subordinate to the Prior Notes and the Prior Bonds as to liens, pledge and source of and security for payment. The Series 2005 A Bonds shall be paid from the Surplus Revenues of the System and from the Surcharges.

G. The Issuer has complied with all requirements of West Virginia law relating to the Project and the operation of the Series 2005 A Facilities and issuance of the Series 2005 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the date of issuance of the Series 2005 A Bonds or such final order will not be subject to appeal or rehearing.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2005 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 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 7, Article 12 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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

"Board" means the Board of Directors of the Issuer.

"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," "Resolution," "Bond Resolution" or "Local Act" means this Bond Resolution 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 the Series 2005 A 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.

"Closing Date" means the date upon which there is an exchange of the Series 2005 A Bonds for the proceeds representing the purchase price of the Series 2005 A Bonds from the Original Purchaser.

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

"Company" means West Virginia-American Water Company, a West Virginia corporation.

"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 Series 2005 A Facilities or any portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided, however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02E hereof to be a part of the cost of acquisition and construction of the Project.

"County Commission" means The County Commission of Kanawha County, West Virginia, a political subdivision of the State of West Virginia.

"Depository Bank" means JPMorgan Chase Bank, NA, and its successors and assigns.

"Executive Secretary" means the individual designated to act in such capacity by the Board of the Issuer.

"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.

"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.

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

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the Series 2005 A Facilities or for any other purpose except keeping the accounts of the Series 2005 A Facilities in the normal operation of its business and affairs, all in accordance with generally accepted accounting principles applied on a consistent basis.

"Issuer" means the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, a public corporation with perpetual existence and a regional development authority within the meaning of the Act, and, as appropriate, its agents and assigns.

"Loan Agreement" means the Loan Agreement dated as of the Closing Date, to be entered into between the Original Purchaser and the Issuer.

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

"O & M Agreement" means the Revised Master Operation and Maintenance Agreement between the Issuer and the Company, dated January 6, 2000, relating to the operation, maintenance, repair and replacement of the public waterworks system of the Issuer, as it may be amended from time to time and as approved by the Public Service Commission of West Virginia.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Series 2005 A Facilities, as hereinafter defined, 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 fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 2005 A Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Original Purchaser" shall mean JPMorgan Chase Bank, NA, a national banking association.

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

"Paying Agent" means of JPMorgan Chase Bank, NA, and its successors and assigns.

"President" means the President of the Issuer.

"Prior Bonds" means, collectively, the Series 2000 A Bonds and the Series 2000 B Bonds.

"Prior Notes" means the Water Revenue Notes, Series 1999A, of the Issuer, issued in the original aggregate principal amount of \$7,000,000.

"Prior Resolutions" means, collectively, the resolutions or ordinances of the Issuer, together with any supplemental resolutions, authorizing the issuance of the Prior Bonds and Prior Notes.

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

"Qualified Investments" means and includes any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;
- (g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized

as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

"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.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

"Revenues" means all revenues to be paid to or on behalf of the Issuer by the Company under the O & M Agreement; provided that, in the event the O & M Agreement is terminated, Revenues shall include all receipts, revenues, income and other monies from the subsequent leasing, subleasing, operation, management, sale or other disposition of the System, or any part thereof, and all rights to receive the same, determined in accordance with generally accepted accounting principles; provided, however, that any Surcharges paid by customers of the System shall not be considered to be Revenues.

"Secretary" means the Executive Secretary of the Issuer.

"Security Agreement" means the Security Agreement dated as of the Closing Date, to be entered into between the Original Purchaser and the Issuer.

"Series 2000 A Bonds" means the Public Waterworks Revenue Bonds, Series 2000 A (West Virginia Water Development Authority), of the Issuer, dated January 27, 2000, issued in the original aggregate principal amount of \$8,705,000.

"Series 2000 B Bonds" means the Public Waterworks Lease Revenue Bonds, Series 2000 B (West Virginia Water Development Authority), dated January 27, 2000, issued in the original aggregate principal amount of \$2,950,000.

"Series 2005 A Bonds" means the Waterworks Revenue Bonds, Series 2005 A (Taxable), of the Issuer, authorized by this Resolution.

"Series 2005 A Bonds Fund" means the Series 2005 A Bond Fund established by Section 5.01 hereof.

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bond Reserve Account established by Section 5.02 hereof.

"Series 2005 A Bonds Reserve Requirement" means, as of any date of calculation the maximum amount of principal and interest which will become due on the Series 2005 A Bonds in the then current or any succeeding year.

"Series 2005 A Facilities" means the Project and any further additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution.

"Surcharges" mean those monthly surcharges paid by customers of the Issuer to the County Commission, which have been approved by the West Virginia Public Service Commission.

"Surplus Revenues" means the Net Revenues not required by the Prior Resolutions to be set aside and held for the payment of or security for the Prior Bonds or the Prior Notes or any other obligations of the Issuer, including, without limitation, any respective sinking fund, reserve account or depreciation reserve.

"System" means the public waterworks system of the Issuer, together with any further additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

AUTHORIZATION OF THE PERMANENT FINANCING OF THE COSTS OF THE PROJECT

Section 2.01. Authorization of the Permanent Financing of the Costs of the Project. There is hereby authorized and ordered the permanent financing of the Costs of the Project, at a cost of \$260,000. The proceeds of the Series 2005 A Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Costs of the Project are \$260,000, of which the entire amount will be permanently financed with proceeds of the Series 2005 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of permanently financing the Costs of the Project, there shall be and hereby are authorized to be issued the negotiable Series 2005 A Bonds of the Issuer. The Series 2005 A Bonds shall be issued as a single bond, numbered AR-1, designated "Waterworks Revenue Bonds, Series 2005 A (Taxable)," in the principal amount of \$260,000. The proceeds of the Series 2005 A Bonds shall be paid by the Original Purchaser to the Issuer on the Closing Date.

Section 3.02. Terms of Bonds. The Series 2005 A Bonds shall be dated the Closing Date, shall mature on September 1, 2010, shall bear interest and shall be repayable as follows:

A. The Series 2005 A Bonds shall bear interest on the outstanding principal amount thereof from the date of each advance to and including the maturity or early prepayment thereof at the rate of 6.96% per annum.

B. Principal of and interest on the Series 2005 A Bonds are payable by check or draft to the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of the Registrar. On September 1, 2005, the Issuer shall pay an interest only payment in an amount equal to the accrued interest from the Closing Date up to and including to September 1, 2005. Thereafter, on the 1st day of each month thereafter for a period of 59 months commencing October 1, 2005, and continuing to and including August 1, 2010, the monthly installments shall consist of principal and interest in the amount of \$3,013.46, based upon an amortization period of 120 months. The Issuer shall make a final payment on September 1, 2010 in an amount equal to the then outstanding principal balance plus accrued interest thereon, unless the Original Purchaser shall agree, in its sole discretion, to extend the maturity for an additional term in which case the Issuer shall, in accordance with Section 11.01 hereof, adopt a Supplemental Resolution approving the amended terms of the Series 2005 A Bonds, and shall execute such other documents as are necessary to issue such amended Series 2005 A Bonds.

The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such

other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

The Series 2005 A Bonds shall be issued in the form of a single bond, fully registered to the Original Purchaser, with a debt service schedule attached, representing the aggregate principal amount of the Series 2005 A Bonds. The 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 Original Purchaser shall not be obligated to pay any expenses of such exchange.

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

If the Series 2005 A Bonds are paid in full by the Issuer more than six (6) calendar months prior to the maturity date, the Issuer shall pay a prepayment premium equal to the prepaid principal multiplied by the premium percentage. The premium percentage shall be equal to one percent (1.0%) multiplied by the number of years plus one for any additional part or portion of a year between the date of the prepayment and the maturity date of the Series 2005 A Bonds; provided that the premium percentage shall not exceed five percent (5.0%) of the prepaid principal.

Section 3.03. Execution of Bonds. The Series 2005 A Bonds shall be executed in the name of the Issuer by the President, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2005 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2005 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 any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2005 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon

surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2005 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 Surplus Revenues and Surcharges as herein provided. No holder or holders of any of the Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Surplus Revenues and Surcharges. The payment of the debt service of the Series 2005 A Bonds shall be secured forthwith equally and ratably by a lien on the Surplus Revenues and Surcharges, junior and subordinate as to liens, pledge and source of and security for payment to the Prior Bonds and the Prior Notes. Such Surplus Revenues and Surcharges in an amount sufficient to pay the principal of and interest on and other payments for the Series 2005 A Bonds are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2005 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2005 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

A. If other than the Original Purchaser, a list of the names in which the Series 2005 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 2005 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement and Security Agreement, and any other documents reasonably required by the Original Purchaser; and

E. The unqualified approving opinion of bond counsel on the Series 2005 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2005 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA
COUNTY, WEST VIRGINIA METROPOLITAN REGION
WATERWORKS REVENUE BONDS,
SERIES 2005 A (TAXABLE)

No. AR-1

\$260,000

KNOW ALL MEN BY THESE PRESENTS: That REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION (the "Issuer"), a county development authority, a public agency and a duly constituted authority, acting on behalf of The County Commission of Kanawha County, a political subdivision of the State of West Virginia, for value received, hereby promises to pay, solely from the sources and in the manner hereinafter provided therefor, to the order of

- JPMORGAN CHASE BANK, NA -

or registered assigns (the "Registered Owner"), the principal sum of Two Hundred Sixty Thousand and 00/100 DOLLARS (\$260,000) in lawful money of the United States of America, or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as evidenced by the Record of Advances attached as EXHIBIT A hereto and incorporated herein by reference as a part hereof, with interest at the rates per annum set forth in paragraph A below, as applicable, in monthly installments of interest, or principal and interest, as set forth in paragraph B below.

(A) This Bond shall bear interest on the outstanding principal amount thereof from the date of each advance to and including the maturity or early prepayment thereof at the rate of 6.96% per annum.

(B) Principal of and interest on this Bond are payable by check or draft to JPMorgan Chase Bank, NA, Charleston, West Virginia (the "Paying Agent") mailed to the Registered Owner hereof at the address as it appears on the books of JPMorgan Chase Bank, NA, Charleston, West Virginia, as registrar (the "Registrar"). On September 1, 2005, the Issuer shall pay an interest only payment in an amount equal to the accrued interest from the Closing Date up to and including to September 1, 2005. Thereafter, on the 1st day of each month thereafter for a period of 59 months, commencing October 1, 2005, and continuing to and including August 1, 2010, the monthly

installments shall consist of principal and interest in the amount of \$3,013.46, based upon an amortization period of 120 months. The Issuer shall make a final payment on September 1, 2010 in an amount equal to the then outstanding principal balance plus accrued interest thereon.

Interest shall be computed on the basis of a year of 360 days and 12 months of 30 days each, payable for the actual number of days elapsed during any portion of a month. If this Bond is paid in full more than six (6) calendar months prior to the maturity date, the Issuer shall pay a prepayment premium equal to the prepaid principal multiplied by the premium percentage. The premium percentage shall be equal to one percent (1.0%) multiplied by the number of years plus one for any additional part or portion of a year between the date of the prepayment and the maturity date of this Bond; provided that the premium percentage shall not exceed five percent (5.0%) of the prepaid principal.

This Bond is issued to provide funds to permanently finance the costs of additions and betterments to the public waterworks system of the Issuer consisting of water line extensions to water consumers in various locations in Kanawha County, West Virginia, together with all appurtenant facilities (the "Project"). The Project and any further additions, betterments or improvements thereto are herein called the "Series 2005 A Facilities." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on May 19, 2005 (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. Reference is hereby made to the Bond Legislation, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties, and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owner of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Bond Legislation are on file at the office of the Secretary of the Issuer.

THIS BOND IS JUNIOR AND SUBORDINATE AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT TO THE ISSUER'S PUBLIC WATERWORKS REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,705,000, AND PUBLIC WATERWORKS LEASE REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,950,000 (THE "SERIES 2000 B BONDS" AND TOGETHER WITH THE SERIES 2000 A BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS"), AND THE

ISSUER'S WATER REVENUE NOTES, SERIES 1999 A, OF THE ISSUER, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000 (THE "PRIOR NOTES").

This Bond and the interest thereon are payable only from and secured by a lien on the Surplus Revenues and Surcharges (as defined in the Bond Legislation), junior and subordinate with respect to liens, pledge and source of and security for payment with the Prior Bonds and the Prior Notes. The Issuer hereby and in the Bond Legislation pledges such revenues to such payment. Such Surplus Revenues and Surcharges shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Bond Legislation.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Surplus Revenues, Surcharges and unexpended proceeds of the Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All monies received from the sale of this Bond shall be applied solely to payment of the Notes, payment of the costs of the Project and costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

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

This Bond, together with interest hereon, is, under the Act, exempt from all taxes by the State of West Virginia.

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

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

IN WITNESS WHEREOF, REGIONAL DEVELOPMENT AUTHORITY OF
CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION
has caused this Bond to be signed by its President, and its corporate seal to be hereunto
affixed and attested by its Secretary, and has caused this Bond to be dated June 28, 2005.

[SEAL]

President

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 200____.

JPMORGAN CHASE BANK, NA
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>		<u>DATE</u>	<u>AMOUNT</u>		<u>DATE</u>
(1)	\$ 260,000.00	06/28/05	(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	
TOTAL			\$260,000.00		

(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: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement and Security Agreement. The Series 2005 A Bonds shall be sold to the Original Purchaser, pursuant to the terms and conditions of the Loan Agreement and Security Agreement and any other documents reasonably required by the Original Purchaser (the "Other Bond Documents"). If not so authorized by previous ordinance or resolution, the President is specifically authorized and directed to execute the Loan Agreement, the Security Agreement and the Other Bond Documents, in form and substance as approved by the President, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement, the Security Agreement and the Other Bond Documents to the Original Purchaser, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank.

The following special funds or accounts are hereby created (or continued if previously established in the Prior Resolutions) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Resolutions); and
- (2) Series 2005 A Bonds Fund.

Section 5.02. Establishment of Funds and Accounts with Commission.

The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2005 A Bonds Reserve Account.

Section 5.03. Revenues; Flow of Funds.

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

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

(2) The Issuer shall next (i) on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the respective Prior Bonds sinking funds the amounts required by the Prior Resolutions and (ii) on the date received by the Company, transfer from the Revenue Fund into the Series 2005 A Bonds Fund, the Revenues received from the Company which are associated with the Series 2005 A Facilities and then, on or before the due date of payment of each installment on the Series 2005 A Bonds, remit to the Paying Agent from the Series 2005 A Bonds Trust Fund, the

amount required to pay the interest on the Series 2005 A Bonds and to amortize the principal of the Series 2005 A Bonds over a period of 120 months.

(3) The Issuer shall next, on the date specified in the Prior Resolutions, transfer from the Revenue Fund and remit to (i) the Commission for deposit in the respective Prior Bonds reserve accounts, the amounts required by the Prior Resolutions, and (ii) on the date of issuance of the Series 2005 A Bonds, remit to the Commission an amount necessary to fully fund the Series 2005 A Bonds Reserve Account; provided that no further payments shall be made into the Series 2005 A Bonds Reserve Account so long as there shall remain on deposit therein an amount equal to the Series 2005 A Bonds Reserve Requirement.

(4) The Issuer shall next, from the monies remaining in the Revenue Fund, transfer from the Revenue Fund and remit the amounts required by the Prior Resolutions.

Monies in the Series 2005 A Bonds Fund shall be used only for the purposes of paying principal and interest on the Series 2005 A Bonds as the same shall become due. If required by the Original Purchaser at any time, the Issuer shall make the necessary arrangements whereby required payments on the Series 2005 A Bonds shall be automatically deducted from the Series 2005 A Bonds Fund and transferred to the Paying Agent on the dates required hereunder. The monies in the Series 2005 A Bond Fund shall constitute trust funds and shall be used only for the purposes provided herein, and until so used, the Original Purchaser shall have a lien thereon for further securing payment of the Series 2005 A Bonds and the interest thereon.

Monies in the Series 2005 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2005 A Bonds as the same shall become due, when other monies of the Issuer are insufficient therefor, and for no other purposes. The monies in the Series 2005 A Bonds Reserve Account shall constitute trust funds and shall be used only for the purposes provided herein, and until so used, the Original Purchaser shall have a lien thereon for further securing payment of the Series 2005 A Bonds and the interest thereon. Any withdrawals from the Series 2005 A Bonds Reserve Account which result in a reduction in the balance of the Series 2005 A Bonds Reserve Account to below the Series 2005 A Bonds Reserve Requirement shall be subsequently restored from the first Revenues available after all required payments have been made with respect to the principal of and interest on the Prior Bonds, the Prior Notes and the Series 2005 A Bonds, and all required payments have been made into the Prior Bonds sinking funds and reserve accounts.

All investment earnings on monies in the Series 2005 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be returned to the Issuer and used first for the payment of interest on or principal of the Issuer's Series 2005 A Bonds.

As and when additional Bonds ranking on a parity with the Series 2005 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account, if any, in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2005 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Monies in the Series 2005 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2005 A Bonds Reserve Account shall be used solely and only for, and is hereby pledged for, the purpose of paying principal and interest on the Series 2005 A Bonds under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the Series 2005 A Facilities.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, fees and expenses then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Original Purchaser at any time, 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.

D. The monies in excess of the sum insured by 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.

E. If on any monthly payment date the Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; 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.

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

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds. The monies derived from the sale of the Series 2005 A Bonds shall be paid by the Original Purchaser to the Issuer on the Closing Date, and shall be applied by the Issuer solely to payment of Costs of the Project.

Section 6.02. 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 2005 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 2005 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 2005 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the Revenues pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Surplus Revenues and Surcharges. The payment of the debt service of the Series 2005 A Bonds shall be secured forthwith equally and ratably by a lien on the Surplus Revenues and Surcharges, junior and subordinate as to liens, pledge and source of and security for payment to the Prior Bonds and the Prior Notes. Such Surplus Revenues and Surcharges in an amount sufficient to pay the principal of and interest on and other payments for the Series 2005 A Bonds are hereby irrevocably pledged to such payments required under this Bond Legislation as they become due.

Section 7.04. Rates and Charges. The initial schedule of water rates and charges for the Series 2005 A Facilities shall be those rates approved by the Public Service Commission of West Virginia, in the Commission Order entered on April 16, 2004, in Case No. 04-0007-W-CN, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the Series 2005 A Facilities. Except as otherwise permitted by State law or with the written consent of the Original Purchaser, the Series 2005 A Facilities may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the Series 2005 A Facilities shall, with respect to the

Series 2005 A Bonds, immediately be remitted to the Paying Agent to be applied to the payment of principal of and interest on the Series 2005 A Bonds. Any balance remaining after the payment of all the Series 2005 A Bonds and interest thereon shall be remitted to the Issuer by the Paying Agent unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the Series 2005 A Facilities.

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 Series 2005 A Facilities hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the Series 2005 A Facilities is no longer necessary, useful or profitable in the operation thereof and authorize 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 \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the Series 2005 A Facilities is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Revenue Fund. The payment of such proceeds into the Revenue Fund shall not reduce the amounts required to be paid into such fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the Series 2005 A Facilities shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the Series 2005 A Facilities.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever payable from the Revenues or Surcharges which rank senior and prior to, or equally, as to lien on and source of and security for payment from such Revenues or Surcharges with the Series 2005 A Bonds, without the prior written consent of the Original Purchaser. All obligations issued by the Issuer after the issuance of the Series 2005 A Bonds and payable from the Revenues and Surcharges, except additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge

and source of and security for payment from such Revenues and Surcharges and in all other respects, to the Series 2005 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2005 A Bonds, and the interest thereon, upon the Revenues or Surcharges, or upon the Series 2005 A Facilities or any part thereof.

The Issuer shall give the Original Purchaser prior written notice of its issuance of any other obligations to be used for the Series 2005 A Facilities, payable from the Revenues or Surcharges or from any grants, or any other obligations related to the Project or the Series 2005 A Facilities.

Section 7.07. Reserved.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the Costs of the Project. The Issuer shall permit the Original Purchaser, or its agents and representatives, to inspect all books, documents, papers and records relating to the Series 2005 A Facilities at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Original Purchaser such documents and information as it may reasonably require in connection with the Project, the operation and maintenance of the Series 2005 A Facilities and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Original Purchaser, or its agents and representatives, to inspect all records pertaining to the operation and maintenance of the Series 2005 A Facilities at all reasonable times.

The Issuer will keep, or cause to be kept, books and records of the Series 2005 A Facilities, 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 Series 2005 A Facilities, 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 Series 2005 A Facilities and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the Series 2005 A Facilities shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by

the Issuer Body. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer.

The Issuer shall file with the Original Purchaser of the Series 2005 A Bonds and shall mail in each year to any Holder or Holders of the Series 2005 A Bonds requesting the same, an annual report containing the following:

- (A) A statement of Revenues and Operating Expenses.
- (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 Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the Series 2005 A Facilities to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail, upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2005 A Bonds and shall submit said report to the Original Purchaser, or any other original purchaser of the Series 2005 A Bonds. Such audit report submitted to the Original Purchaser shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the Revenues are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

The Issuer shall provide the Original Purchaser, or its agents and representatives, with access to the Series 2005 A Facilities as may be reasonably necessary to accomplish all of the powers and rights of the Original Purchaser with respect to the Series 2005 A Facilities pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the Series 2005 A Facilities have been established all in the manner and form

required by law, and copies of such rates and charges so established will continuously be on file with the Issuer, which copies will be open to inspection by the Original Purchaser. The schedule of rates and charges shall at all times be adequate to produce Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder or under the Prior Resolutions.

Section 7.10. Reserved.

Section 7.11. Reserved.

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 Series 2005 A Facilities.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Series 2005 A Facilities, 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 of the Series 2005 A Facilities shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the Series 2005 A Facilities. 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 Series 2005 A Facilities, to all users of the services of the Series 2005 A Facilities delinquent in payment of charges for the services of the Series 2005 A Facilities and will not restore such services until all delinquent charges for the services of the Series 2005 A Facilities, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the Series 2005 A Facilities, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or

themselves of the services provided by the Series 2005 A Facilities, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the Series 2005 A Facilities, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the Series 2005 A Facilities.

Section 7.15. Insurance. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain, or cause to be carried, insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the Series 2005 A Facilities. 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 Series 2005 A Facilities in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Revenue Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Revenue Fund.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer and the Original Purchaser 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 Series 2005 A Facilities, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the Series 2005 A Facilities.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SERIES 2005 A FACILITIES ELIGIBLE THEREFOR.

(4) FLOOD INSURANCE, if the Series 2005 A Facilities are located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

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

(6) FIDELITY BONDS will be provided for every officer, member and employee of the Issuer having custody of the revenues or of any other funds of the Series 2005 A Facilities, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the Series 2005 A Facilities to connect thereto.

Section 7.17. Permits and Orders. The Issuer shall operate and maintain, or cause to be operated and maintained, the Series 2005 A Facilities in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the Series 2005 A Facilities and make all necessary repairs and replacements so long as the Series 2005 A Bonds are outstanding. To the extent maintenance is done by the Company, the Issuer shall enforce the provisions of the O & M Agreement to fulfill compliance with this covenant.

The Issuer will obtain all permits required by state and federal laws for the operation of the Series 2005 A Facilities and all orders and approvals from the Public Service Commission of West Virginia necessary for the permanent financing of the Costs of the Project and the operation of the Series 2005 A Facilities.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement, the Act and all applicable laws, rules and regulations issued by the State, federal or local bodies in regard to the Project and the operation, maintenance and use of the Series 2005 A Facilities.

Section 7.19. Reserved.

Section 7.20. Reserved.

Section 7.21. Public Releases. The Issuer shall list the funding provided by the Original Purchaser in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any dedication of the Project.

Section 7.22. Security Interest; Financing Statements. The Issuer shall grant for the benefit of the Original Purchaser a security interest in the Surplus Revenues and

Surcharges and shall authorize the Original Purchaser to file financing statements, and continuations thereof, to perfect its security interests therein.

Section 7.23. Series 2005 A Reserve Account. On the Closing Date, the Issuer shall deposit \$36,161.52 into the Series 2005 A Bonds Reserve Account with the Commission.

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 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, 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 2005 A Bonds are Outstanding.

Section 8.02. Reserved.

Section 8.03. Reserved.

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 2005 A Bonds:

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2005 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 Series 2005 A Facilities, (iii) bring suit upon the Bond, (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.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2005 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the making and collection of sufficient rates and charges for services rendered by the Series 2005 A Facilities 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 Series 2005 A Facilities 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 Series 2005 A Facilities, 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 Series 2005 A Facilities 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 Series 2005 A Facilities 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 Series 2005 A Facilities 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 Series 2005 A Facilities 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 Series 2005 A Facilities, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the Series 2005 A Facilities 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 Series 2005 A Facilities 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 Series 2005 A Facilities.

In the event that the Bondholder should exercise its rights under this Article IX or any other rights available to it provided under law upon the occurrence of a default by the

Issuer, and the O & M Agreement has not been terminated, the O & M Agreement shall remain in effect.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all of the Series 2005 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Surplus Revenues, Surcharges and any other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2005 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2005 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 2005 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2005 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 2005 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor monies deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 2005 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2005 A Bonds, this Resolution may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Series 2005 A Bonds, no material modification or amendment of this Resolution, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein 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 Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the 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 Resolution 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 Resolution, any Supplemental Resolution thereto, or the Series 2005 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. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

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 Resolution 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 President, the Secretary and members of the Issuer were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.



President

CERTIFICATION

Certified a true copy of an Resolution duly enacted by the REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION on the 19th day of May, 2005.

Dated: June 28, 2005.

[SEAL]



Executive Secretary

06/23/05
919120.00267

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION RATIFYING, CONFIRMING AND APPROVING THE PRESIDENT'S APPROVAL OF THE REVISED INTEREST RATE, MATURITY DATE AND PRINCIPAL AND INTEREST PAYMENT DATES OF THE WATERWORKS REVENUE BONDS, SERIES 2005 A (TAXABLE) OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION.

WHEREAS, the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region (the "Issuer"), in the County of Kanawha, State of West Virginia, is a public corporation with perpetual existence and a county development authority, duly created pursuant to a resolution adopted by the County Commission of Kanawha County, West Virginia;

WHEREAS, the Board of Directors (the "Board") of the Issuer has duly and officially adopted a bond resolution, effective May 19, 2005 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE PERMANENT FINANCING OF THE COSTS OF ADDITIONS AND BETTERMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION THROUGH THE ISSUANCE BY THE ISSUER OF \$260,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS REVENUE BONDS, SERIES 2005 A (TAXABLE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF

SUCH BONDS AND ADOPTING OTHER PROVISIONS
RELATING THERETO.

WHEREAS, the Bond Resolution provides for the issuance of Waterworks Revenue Bonds, Series 2005 A (Taxable), of the Issuer (the "Series 2005 A Bonds"), in the aggregate principal amount not to exceed \$260,00, all in accordance with Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Resolution it is provided that the principal amount, date, maturity date, interest rate, principal and interest payment dates, sale price and other terms of the Series 2005 A Bonds should be established by the Bond Resolution;

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

WHEREAS, on June 28, 2005 (the "Closing Date"), the Series 2005 A Bonds were purchased by JPMorgan Chase Bank, N.A. (the "Purchaser");

WHEREAS, on the Closing Date, the Purchaser determined that the interest rate on the Series 2005 A Bonds should be less than the interest rate approved in the Bond Resolution, thereby resulting in a lower monthly principal and interest payment;

WHEREAS, on the Closing Date, the Purchaser determined that the maturity date of the Series 2005 A Bonds should be extended by one month, and that the monthly principal and interest payment dates should be extended by a corresponding one-month period;

WHEREAS, on the Closing Date, the President approved the lower interest rate, the one month extension for the maturity date and the one month extension for the principal and interest payment dates for the Series 2005 A Bonds;

WHEREAS, the Board deems it essential and desirable that this supplemental resolution be adopted to ratify and confirm the President's approval of the revised interest rate, maturity date and principal and interest payment dates for the Series 2005 A Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
DIRECTORS OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-
KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION:

1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted, and the approval by the President of the terms of the Series 2005 A Bonds, as set forth in Exhibit A attached hereto and made a part hereof, is hereby ratified, confirmed and approved.

2. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 15th day of September, 2005.

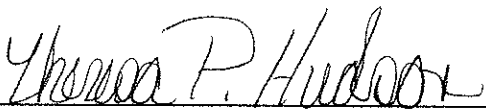


President

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly enacted by the
REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY,
WEST VIRGINIA METROPOLITAN REGION on the 15th day of September, 2005.

[SEAL]



Executive Secretary

919120.00267

EXHIBIT A

Terms of Bonds

The Series 2005 A Bonds shall be dated the Closing Date, shall mature on October 1, 2010, shall bear interest and shall be repayable as follows:

A. The Series 2005 A Bonds shall bear interest on the outstanding principal amount thereof from the date of each advance to and including the maturity or early prepayment thereof at the rate of 6.82% per annum.

B. Principal of and interest on the Series 2005 A Bonds are payable by check or draft to the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of the Registrar. On October 1, 2005, the Issuer shall pay an interest only payment in an amount equal to the accrued interest from the Closing Date up to and including to October 1, 2005. Thereafter, on the 1st day of each month thereafter for a period of 59 months commencing November 1, 2005, and continuing to and including September 1, 2010, the monthly installments shall consist of principal and interest in the amount of \$2,994.76, based upon an amortization period of 120 months. The Issuer shall make a final payment on October 1, 2010 in an amount equal to the then outstanding principal balance plus accrued interest thereon, unless the Purchaser shall agree, in its sole discretion, to extend the maturity for an additional term in which case the Issuer shall, in accordance with Section 1I.0I of the Bond Resolution, adopt a Supplemental Resolution approving the amended terms of the Series 2005 A Bonds, and shall execute such other documents as are necessary to issue such amended Series 2005 A Bonds.

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement"), made and entered into as of the 28th day of June, 2005, by and between the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, a governmental instrumentality and body corporate of the State of West Virginia (the "Issuer"), and JPMorgan Chase Bank, NA, a national banking association (the "Lender"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the resolution duly adopted by the Issuer on May 19, 2005 (the "Resolution").

W I T N E S S E T H:

WHEREAS, Issuer has made application to the Lender for a \$260,000 term loan (the "Loan"), the proceeds of which shall be used to permanently finance the costs of additions and betterments to the public waterworks system of the Issuer, consisting of the construction and installation of water line extensions to water consumers on Upper Frame Road, including a 100,000-gallon water tank, a booster station and certain 8-inch, 6-inch and 2-inch water line to serve approximately 175 new customers, and 27 water line extensions to water consumers in various rural locations in Kanawha County, West Virginia, including the construction and installation of 8-inch, 6-inch and 2-inch water line, 25 fire hydrants and related service lines and meters to serve approximately 163 new customers, together with all appurtenant facilities (collectively, the "Project");

WHEREAS, Issuer's loan application has been approved by the Lender, upon terms and conditions agreed to by the Issuer and Lender;

WHEREAS, as collateral for the Loan the Issuer will grant the Lender a lien in the Surplus Revenues and Surcharges of the System, junior and subordinate to the lien on Revenues and Surcharges created in favor of the holders of the Prior Notes and Prior Bonds of the Issuer; and

WHEREAS, Issuer has represented to the Lender that all of the Loan proceeds shall be applied solely to permanently finance the costs of the Project.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto agree to as follows:

1. Financing

(a) Subject to the terms and conditions hereof, the Lender hereby agrees to loan to Issuer the sum of \$260,000 for a term extending from the date hereof until October 1, 2010, unless otherwise extended by Lender in its sole discretion.

(b) The Loan shall be used for permanent financing of the costs of the Project.

(c) Beginning on the date hereof and continuing thereafter until the Loan is paid in full, the Loan shall bear interest at a rate per annum equal to 6.82%. Interest shall be computed on the basis of a year of 360 days and 12 months of 30 days each, payable for the actual number of days elapsed during any portion of a month.

(d) On October 1, 2005, the Issuer shall pay an interest only payment in an amount equal to the accrued interest from the date hereof up to and including October 1, 2005. Thereafter, on the first (1st) day of each month for a period of 59 months, commencing November 1, 2005, and continuing to and including September 1, 2010, the monthly installments shall consist of principal and interest in the amount of \$2,994.76, based upon an amortization of 120 months, with a final payment of the entire outstanding principal balance of the Loan, together with accrued interest due on October 1, 2010.

(e) If the Loan is paid in full more than six (6) months prior to the maturity date, the Issuer shall pay a prepayment premium equal to the prepaid principal multiplied by the premium percentage. The premium percentage shall be equal to one percent (1.0%) multiplied by the number of years plus one for any additional part of portion of a year between the date of the prepayment and the maturity date; provided that the premium percentage shall not exceed five percent (5.0%) of the prepaid principal.

(f) For purposes of this Agreement and all documents referred to herein, the term "Closing" shall mean the date on which this Agreement and all other documents which are required to be executed and delivered by the Issuer and Lender pursuant to the terms of Section 3 hereof are executed by such parties.

(g) The Loan shall be evidenced by the Waterworks Revenue Bonds, Series 2005 A (Taxable) (the "Bonds") of the Issuer, dated as of June 28, 2005, and issued in the original aggregate principal amount of \$260,000, which shall be executed and delivered to the Lender at the Closing.

(h) The Loan will be closed and disbursed only upon the satisfaction of all of the terms and conditions set forth in Section 3 hereof as determined by the Lender in its sole discretion.

2. Security

The Issuer shall provide the following security for the Loan:

(a) Issuer shall grant to the Lender a lien on the Surplus Revenues and Surcharges of the System, which lien shall be junior and subordinate to the lien on Revenues and Surcharges created in favor of the holders of the Prior Notes and Prior Bonds of the Issuer, pursuant to a Security Agreement of even date herewith (the "Security Agreement"); and

(b) Issuer shall deliver to the Lender a UCC-1 financing statement that, upon filing in the appropriate office, will perfect the security interest granted by the Issuer to the Lender in the Security Agreement (the "Financing Statement").

3. Conditions Precedent to Financing

The obligation of the Lender to disburse the Loan is subject to the following conditions precedent:

(a) Issuer shall have delivered to the Lender (i) a certified copy of the Order of the County Commission of Kanawha County, West Virginia creating Issuer; (ii) a copy of the minutes of the Issuer's organizational meeting for calendar year 2005; (iii) a copy of the minutes of the meetings of the Issuer appointing the current members of the Board of the Issuer and the oaths of office of each member of the Board of the Issuer; and (iv) a copy of the Issuer's Bylaws.

(b) Issuer shall have delivered to the Lender the Resolution approving the execution, delivery and performance of this Agreement and all transactions and documentation contemplated herein, duly adopted by the Issuer, together with a certificate of the Secretary of Issuer stating that such Resolution is true and correct as of the date hereof.

(c) Issuer shall have executed and delivered this Agreement, the Bonds, the Security Agreement, the Financing Statement and all other documents required to be executed and delivered by the Issuer pursuant to the terms hereof (collectively, the "Bond Documents"), and the Financing Statement shall have been filed or recorded in the

appropriate office or offices in order to create the liens in favor of the Lender necessary to secure the Loan.

(d) Issuer shall have delivered to the Lender an opinion of Issuer's counsel which addresses such matters as may be requested by the Lender with respect to the Loan, including, but not limited to, an opinion that each of the Bond Documents has been duly authorized and constitutes a valid, enforceable and legally binding obligation of Issuer, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other statutes in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

(e) Issuer shall have delivered, or caused to be delivered, to the Lender certificates of insurance which evidence that the insurance policies required by the Resolution, this Agreement and any of the other Bond Documents have been obtained and are in full force and effect as of Closing, in each case in a form acceptable to the Lender.

(f) Issuer shall be responsible to pay at Closing all costs and fees associated with the Loan including, but not limited to, all reasonable attorneys' fees of counsel to Lender and all recording and filing fees incurred in connection with the Loan. In the event the Loan does not close for any reason, the Issuer shall pay all costs and fees associated with the Loan including, but not limited to, reasonable attorneys' fees of counsel to Lender, upon demand by Lender.

4. Representations and Warranties

Issuer hereby represents and warrants to the Lender as follows:

(a) Issuer is a duly organized and validly existing public corporation in good standing under the laws of the State of West Virginia and has all requisite corporate power and authority to own its assets and carry on its business as currently conducted and as proposed to be conducted.

(b) The execution, delivery and performance of this Agreement, the Bond Documents and all other documents and writings referred to herein are all within Issuer's powers, have been duly authorized by Issuer and are not in contravention of applicable law, or Bylaws or any other organizational documents, or of any indenture, agreement or undertaking to which Issuer is a party or by which it or any of its properties is bound.

(c) Each Bond Document to which Issuer is a party has been duly and validly executed and delivered by Issuer and constitutes a legal, valid and binding obligation of Issuer, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights.

(d) No information disclosed by Issuer in connection with the Loan contains any untrue statement of fact or omits to state any fact necessary in order to have made the statement therein not misleading.

(e) Neither the execution and delivery of this Agreement or any of the other Bond Documents, nor consummation of the transactions contemplated hereby and thereby, nor compliance with the terms, conditions and provisions thereof, will conflict with or result in a breach of any of the terms, conditions or provisions of Issuer's Bylaws or any other organizational document, or of any applicable law, regulation, order, writ, injunction or decree of any court, governmental instrumentality or agency or any agreement or instrument to which Issuer is a party or by which it or any of its properties is subject or bound, or result in the creation or imposition of any lien, charge, security interest or encumbrance of any nature whatsoever upon the Project or any of its other property, other than liens previously disclosed to Lender.

(g) Except as disclosed to Lender in writing, no action, litigation, suit, arbitration, mediation, claim, mechanics' lien, or any other proceeding, including those for unpaid indebtedness, is pending, filed or threatened against Issuer or the Project and no other event has occurred which may materially and adversely affect Issuer's financial condition or the Project. Moreover, no material fact exists that has not been disclosed to the Lender which would have a material adverse effect on the Project.

(h) Issuer has acquired and maintained in good standing all permits, licenses, consents and approvals required under federal, state or local statutes, ordinances, rules and regulations for the construction of the Project.

(i) Issuer has paid all taxes and assessments applicable to the Issuer or to its properties including, without limitation, any taxes and assessment applicable the Project.

(j) No Event of Default (as defined in Section 7 hereof) has occurred and is continuing or exists, and there exists no condition, event, act or omission which, with the giving of notice or passage of time or both, would constitute an Event of Default.

(k) The lien conveyed by the Security Agreement constitutes, and shall constitute during the term of the Loan, a lien on the collateral described therein which is junior and subordinate to the lien on such collateral created in favor of the holders of the Prior Notes and Prior Bonds.

(l) To the best of Issuer's knowledge, after due investigation, the Project is in compliance with all applicable federal, state or local statutes, rules, regulations, orders or ordinances now existing or hereafter enacted, including any such statutes, rules, regulations, orders or ordinances relating to any hazardous or toxic waste, materials or substances, petroleum and petroleum products, and asbestos, and the Issuer has not received any citations, warning notices, notices of violation, administrative complaints, judicial complaints or other notices from any environmental or governmental agency alleging that conditions on the Project are in violation of any environmental laws. This representation shall survive termination of this Agreement without limitation.

5. Affirmative Covenants

So long as this Agreement is in effect and any part of the Loan is outstanding, Issuer shall:

(a) Promptly inform the Leader in writing of: (i) any Event of Default, together with a written statement of the action being taken by Issuer to remedy the same; (ii) all material adverse changes with regard to the Project, and (iii) all litigation, arbitration, mediation, proceedings and claims, either pending or threatened, relating to the Issuer or to the Project, including, without limitation, any filed or unfiled mechanics' lien on the Project or any violation of environmental laws.

(b) To the extent available, within five (5) days after the request therefor, furnish to the Lender such information or financial records pertaining to the Loan, any collateral for the Loan or the Project as the Lender may reasonably request from time to time.

(c) Obtain and keep in full force and effect, or cause to be obtained and kept in full force and effect, comprehensive general liability insurance with a combined single limit per occurrence for bodily injury and property damage in amounts acceptable to Lender in its sole discretion, with a company or companies and on terms acceptable to Lender, naming the Lender as an additional insured.

(d) Cause certificates evidencing the existence and amounts of the liability insurance required under this Section 5 to be delivered to the Lender. No such

insurance policy shall be cancelable or subject to reduction in coverage except after 30 days prior written notice to the Lender. Issuer shall, within a reasonable time after the expiration of such insurance policies, furnish the Lender with certificates of insurance evidencing the renewal thereof.

(e) Perform and comply with all terms, conditions and provisions set forth in this Agreement and in all other Bond Documents mentioned herein in a timely manner.

(f) Issuer will take all necessary steps to preserve itself as a public corporation, and will comply with all applicable laws, ordinances, orders, rules or regulations of any Governmental Authority (as hereinafter defined), applicable to Issuer or its properties or operations, and all laws, ordinances, orders, rules and regulations with regard to zoning, subdivision, building, safety, fire protection and environmental matters, including, without limitation, all Environmental Laws. As used herein, Governmental Authority ("Governmental Authority") means the United States, the State of West Virginia and any political subdivision and municipality thereof, and any agency, department, commission, board, bureau or instrumentality of any of them.

(g) Not less than five (5) days after receipt of written notice from Lender, permit the Lender or its designees at any reasonable time to examine and audit Issuer's books, accounts and records, and make copies and memoranda of its books, accounts, and records. If Issuer now or at any time hereafter maintains any records (including, without limitation, computer generated records and computer programs for the generation of such records) in the possession of a third party, then Issuer shall, upon request of the Lender, notify such party to permit Lender free access to such records during normal business hours, and to provide Lender with copies of any records it may request, all at Issuer's expense.

(h) Permit the Lender and its designees the right, but the Lender shall be under no obligation, to inspect the Project.

(i) Make, execute and deliver to the Lender such promissory notes, deeds of trust, assignments of rentals, security agreements, instruments, documents and other agreements as the Lender or its attorneys may reasonably request to evidence and secure the payment of the indebtedness and to create and perfect all liens described herein. Moreover, at the request of the Lender, Issuer will promptly and duly execute and deliver such additional documents and assurances and take such additional actions as may be necessary or desirable in order to correct any defect, error or omission which may at any time be

discovered with respect to the Loan or to more effectively carry out the interest and purpose of this Agreement.

(m) Agree to acquire and maintain in good standing all permits, licenses, consents and approvals required under federal, state or local statutes, ordinances, rules and regulations for the Project.

(n) Issuer will notify Lender within ten (10) days of any change in the principal address of the Issuer.

(o) Issuer will maintain the Project in good repair and safe condition at all times and indemnify and defend and hold the Lender harmless from any and all claims relating to the Project.

(p) Issuer will promptly pay when due all taxes and assessments upon any of Issuer's properties including, without limitation, the Project, and all other taxes which may give rise to any lien or claim upon the Project or any of the collateral for the loan.

(q) If Issuer neglects or refuses to pay the cost, premium, liabilities or other charges with respect to, or otherwise fails to perform, its covenants hereunder, the Lender may do so, add the cost thereof to the indebtedness evidenced hereby and by the Bonds, and collect the same from Issuer on demand with interest thereon at the same rate of interest set forth in the Bonds.

6. Negative Covenants

In addition to the covenants set forth in the Resolution, the Issuer covenants and agrees that while any part of the Loan is outstanding, Issuer shall not:

(a) Except as created in connection with the Issuer's Prior Notes and Prior Bonds, permit to be created or suffer to exist any liens or encumbrances upon the Project or any of the collateral for the Loan, or issue any additional bonds prior to or on a parity with the Bonds, without the prior written consent of the Lender.

(b) Sell, assign, convey, exchange, lease, transfer, pledge, mortgage, encumber or otherwise dispose of the Project or any of the collateral for the Loan without the prior written consent of the Lender, except as otherwise provided in the Resolution.

(c) Furnish the Lender any certificate or other document containing any untrue statement of material fact or omitting a material fact necessary to make it not misleading in light of the circumstances under which it was furnished.

7. Events of Default

The Loan shall, at the Lender's option, become immediately due and payable without notice or demand upon the occurrence of any one or more of the following (herein, an "Event of Default"):

(a) Issuer shall fail to pay as and when due any installment of principal or interest due on the Bonds or any portion thereof and such failure shall continue for a period of 10 days thereafter; or

(b) Issuer shall fail to pay as and when due any installment of principal or interest due on, or shall otherwise be in default under, any indebtedness or other obligation owed to any creditor of Issuer other than the Lender; or

(c) Any representation or warranty made to the Lender herein or otherwise in connection with or to induce the making of the Loan shall prove, in any material respect, to have been false, incorrect or incomplete on the date when made; or

(d) Issuer shall default in the performance of any agreement, obligation, covenant or condition contained in this Agreement or in any of the other Bond Documents (other than the default contemplated in Section 7(a) hereof), and such default shall not have been remedied within 30 days after written notice thereof is given to Issuer; or

(e) Issuer shall (i) be dissolved or terminated, (ii) admit in writing its insolvency or its inability to discharge its obligations as they become due, (iii) adopt any resolution or take any other step in contemplation of bankruptcy, insolvency, receivership, liquidation, suspension or cessation of its business or the winding up of its affairs or in contemplation of any proceeding under any law for reorganization, debt adjustment, arrangement, composition, extension or debtor relief, or (iv) make any assignment for the benefit of creditors or commit any act of bankruptcy; or

(f) There shall be filed or brought against Issuer and either (i) adjudicated adversely to it, or consented to or acquiesced in by it in any manner, or (ii) not dismissed within 30 days, any petition in bankruptcy or any insolvency, receivership, trusteeship, reorganization, debt adjustment, arrangement, composition, extension, debtor

relief, dissolution, liquidation, winding up or any similar proceeding, or any proceeding in which its or his ability to discharge its or his obligations as they become due is in issue; or

(g) Commencement of foreclosure against the Project, whether by judicial proceeding, self-help, re-possession or any other method, by any creditor of Issuer other than the Lender.

If a payment due hereunder is ten (10) days or more late, the Issuer will be charged a late charge of 5.00% of the payment due or \$25.00, whichever is greater, up to the maximum amount of \$250.00 per late charge. The Issuer will pay to Lender a fee of \$25.00 if Borrower makes a payment on the Loan and the check or pre-authorized charge with the Lender is later dishonored.

If an Event of Default shall have occurred and be continuing hereunder or under any of the Bond Documents, the applicable interest rate for the Loan, as set forth in Section 1(c) hereof, shall, commencing three (3) days after written notice of a default has been received by Issuer from Lender and ending upon the curing of such noticed default, increase by 3.00% percent (the "Default Rate"); provided, however, that such Default Rate shall not exceed the maximum interest rate allowed by law. Upon the curing of any noticed default, the interest rate on the Loan shall revert to the interest rate set forth in Section 1(c) hereof as of the date the default is cured by Issuer.

8. Remedies

Upon the occurrence of any Event of Default, then, automatically, at the option of the Lender, all of the outstanding balance of the Loan shall, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, be forthwith due and payable, and the Lender may, immediately upon the expiration of any period of grace provided for herein or in the Bond Documents, enforce payment of the Bonds and any other obligation herein or in any other Loan Document or otherwise pertaining to the Loan and exercise any and all other remedies granted to it herein, in the Bond Documents or at law or otherwise. The rights and remedies hereunder of the Lender are cumulative and not exclusive of any rights or remedies which it would otherwise have.

9. Miscellaneous Provisions

The parties agree to the following miscellaneous provisions:

(a) This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by the party or parties sought to be charged or bound by such alteration or amendment.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia.

(c) ISSUER HEREBY IRREVOCABLY (I) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN ANY FEDERAL OR STATE COURT LOCATED OR SITTING IN KANAWHA COUNTY, WEST VIRGINIA, AND CONSENTS TO THE JURISDICTION OF SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING, AND (II) WAIVES ANY OBJECTION WHICH IT MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. ISSUER HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING OF COPIES OF SUCH PROCESS TO ISSUER AT ITS ADDRESS PROVIDED HEREIN PURSUANT HERETO. ISSUER AGREES THAT THE FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. ALL MAILINGS HEREUNDER SHALL BE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(d) ISSUER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS ISSUER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS, EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED BY ANY OF SUCH DOCUMENTS. ISSUER

ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

(e) Issuer agrees to pay upon demand, all reasonable and necessary costs and expenses incurred by the Lender in connection with the preparation and enforcement of this Agreement, all other Bond Documents and any amendments to such documents which may be made from time to time after the date hereof, including, but not limited to, reasonable attorneys' fees and expenses. This includes the reasonable attorneys' fees and legal expenses of the Lender, whether or not there is any lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Issuer, or an assigned third party, also will pay any court costs, in addition to all other sums provided by law.

(f) All notices to be given under this Agreement shall be in writing and shall be deemed sufficiently given when mailed by certified mail, return receipt requested, to the following addresses:

REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-
KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN
REGION

Kanawha County Courthouse
409 Virginia Street East
Charleston, WV 25301
Attention: President
Telephone: (304) 357-0570

JPMORGAN CHASE BANK, NA
707 Virginia Street East
Post Office Box 1113
Charleston, WV 25324-1113
Attention: Commercial Loan Department
Telephone: (304) 348-5630
Facsimile: (304) 348-6903

All notice periods under this Agreement shall commence on and include the date upon which such notice was sent to the addressee. Any change in the address for notice to a party shall be given in the same manner provided in this Section 9(f).

(g) If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person, entity or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons, entities or circumstances. If feasible, any such offending provision shall be deemed to be modified in order to comply with the limits of enforceability or validity; provided, however, that if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

(h) All warranties, representations, covenants and indemnities made by Issuer in this Agreement or in any certificate or other instrument delivered by Issuer to the Lender in connection herewith shall be considered to have been relied upon by the Lender and will survive the making of the Loan and shall continue in full force and effect so long as the Bonds is outstanding and until payment in full of all of Issuer's obligations hereunder and under the Bond Documents. The warranties, covenants and indemnities set forth in this Agreement may be assigned or otherwise transferred by the Lender to its successors and assigns and to any subsequent purchasers of all or any portion of any collateral securing the Loan by, through or under the Lender, without notice to or the consent of Issuer.

(i) The Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of that right or any other right. A waiver by the Lender of a provision of this Agreement shall not prejudice or constitute a waiver of its right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by the Lender, nor any course of dealing between Lender and Issuer shall constitute a waiver of any rights of the Lender or of any obligations of Issuer. Whenever the consent of the Lender is required under this Agreement, the granting of such consent by the Lender in any instance shall not constitute continuing consent in subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of the Lender.

(j) This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and assigns; provided, however, that Issuer may not sell, assign, convey or otherwise transfer any rights or obligations hereunder without the prior written consent of the Lender.

(k) This Agreement shall continue in full force and effect so long as any part of the Loan remains outstanding or has not been fully and finally paid, performed or satisfied.

(l) The Lender may sell, transfer or otherwise assign all of its right, title and interest in and to this Agreement and the Bond Documents without the consent of Issuer, but shall notify Issuer in writing of any such sale, transfer or assignment within 30 days after the occurrence thereof.

(m) No inference shall be drawn in favor of or against any party because of their participation in the drafting of this Agreement or any of the other documents relating to the Loan.

(n) Nothing in this Agreement, whether express or implied, shall be construed to give to any person other than the parties hereto any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

(o) Unless otherwise specified herein, all year-end financial statements and reports furnished to the Lender hereunder or under any other Loan Document shall be prepared in accordance with generally accepted accounting principles and practices consistently applied.

(p) This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered by the parties, constituting an original, but all such counterparts together, constituting one and the same instrument.

(q) The Resolution is incorporated herein by reference and the terms, conditions and covenants thereof are hereby made a part of this Agreement to the same extent and with the same effect as if they were fully set forth herein. This Agreement is intended to supplement the Resolution and does not and is not intended to supercede the Resolution. To the extent that any provision of this Agreement conflicts with any provision of the Resolution, the provisions of the Resolution shall govern.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers duly authorized, all as of the date and year first above written.

REGIONAL DEVELOPMENT AUTHORITY OF
CHARLESTON-KANAWHA COUNTY, WEST
VIRGINIA METROPOLITAN REGION

By: DB Bradshaw
Its: President

JPMORGAN CHASE BANK, NA

By: [Signature]
Its: Senior Vice President

06/28/05
919120.00267

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement"), dated as of June 28, 2005, is entered into by and between the REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION, a West Virginia public corporation (the "Debtor") and JPMORGAN CHASE BANK, NA, a national banking association (the "Bank").

WITNESSETH THAT:

WHEREAS, the Debtor is (or will be with respect to after-acquired property) the legal and beneficial owner and the holder of the Collateral (as defined in Section 1 hereof); and

WHEREAS, pursuant to that certain Loan Agreement (as it may hereafter from time to time be restated, amended, modified or supplemented, the "Loan Agreement") of even date herewith by and between the Debtor and the Bank, the Bank has agreed to make a loan to the Debtor to permanently finance the costs of additions and betterments to the public waterworks system of the Issuer, consisting of the construction and installation of water line extensions to water consumers on Upper Frame Road, including a 100,000-gallon water tank, a booster station and certain 8-inch, 6-inch and 2-inch water line to serve approximately 175 new customers, and 27 water line extensions to water consumers in various rural locations in Kanawha County, West Virginia, including the construction and installation of 8-inch, 6-inch and 2-inch water line, 25 fire hydrants and related service lines and meters to serve approximately 163 new customers, together with all appurtenant facilities (collectively, the "Project"); and

WHEREAS, the obligation of the Bank to make the loan under the Loan Agreement is subject to the condition, among others, that the Debtor secure its obligations to the Bank under the Loan Agreement, the other Loan Documents and otherwise as more fully described herein in the manner set forth herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. Terms which are defined in the resolution of the Debtor adopted May 19, 2005, authorizing the Loan Agreement and the transactions contemplated therein (the "Resolution") and not otherwise defined herein are used herein as defined therein. The

following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

(a) "Code" means the Uniform Commercial Code as in effect in the State of West Virginia on the date hereof and as amended from time to time except to the extent that the conflict of law rules of such Uniform Commercial Code shall apply the Uniform Commercial Code as in effect from time to time in any other state to specific property or other matters.

(b) "Collateral" means the Surplus Revenues and Surcharges of the System.

(c) "Debt" shall mean and include the following: (i) all now existing and hereafter arising indebtedness and obligations of the Debtor to the Bank under the Loan Agreement or any of the other Bond Documents, including all obligations, liabilities, and indebtedness, whether for principal, interest, fees, expenses or otherwise, of the Debtor to the Bank now existing or hereafter incurred under the Loan Agreement or the Bonds or any of the other Loan Documents as any of the same or any one or more of them may from time to time be amended, restated, modified, or supplemented, together with any and all extensions, renewals, refinancings, and refundings thereof in whole or in part (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Debtor or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability or indebtedness is not enforceable or allowable in such proceeding, and including all obligations, liabilities and indebtedness arising from any extensions of credit under or in connection with the Loan Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied); and (ii) any sums advanced by the Bank or which may otherwise become due pursuant to the provisions of the Loan Agreement, the Bonds, this Agreement, or any other Bond Documents or pursuant to any other document or instrument at any time delivered to the Bank in connection therewith, including commitment, letter of credit, bank or other fees and charges, and indemnification obligations under any such document or instrument, together with all interest payable on any of the foregoing, whether such sums are advanced or otherwise become due before or after the entry of any judgment for foreclosure or any judgment on any Loan Document or with respect to any default under any of the Debt.

(d) "Person" shall mean any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, joint venture, government or political subdivision or agency thereof, or any other entity.

2. As security for the due and punctual payment and performance of the Debt in full, the Debtor hereby agrees that the Bank shall have, and the Debtor hereby grants to

and creates in favor of the Bank a continuing lien on and security interest under the Code in and to the Collateral. Without limiting the generality of Section 4 below, the Debtor further agrees that with respect to each item of Collateral, if any, as to which (i) the creation of a valid and enforceable security interest is not governed exclusively by the Code or (ii) the perfection of a valid and enforceable security interest therein under the Code cannot be accomplished either by the Bank taking possession thereof or by the filing in appropriate locations of appropriate Code financing statements executed by the Debtor, the Debtor will at its expense execute and deliver to the Bank and hereby does authorize the Bank to execute and file such documents, agreements, notices, assignments and instruments and take such further actions as may be requested by the Bank from time to time for the purpose of creating a valid and perfected lien on such item enforceable against the Debtor and all third parties to secure the Debt.

3. The Debtor represents and warrants to the Bank that (a) the Debtor has good and marketable title to its Collateral, (b) except for the security interests granted to and created in favor of the holders of the Prior Bonds and the Prior Notes and the security interest granted to and created in favor of the Bank hereby, the Collateral is free and clear of any liens or encumbrances, (c) the Debtor will defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein, (d) the exact legal name of the Debtor is as set forth on the signature page hereto, and (e) the state of incorporation, formation or organization, as applicable, of the Debtor is as set forth on Schedule A attached hereto.

4. The Debtor will faithfully preserve and protect the Bank's security interest in the Collateral as a prior perfected security interest under the Code, superior and prior to the rights of all third Persons (except the holders of the Prior Notes and Prior Bonds), and will do all such other acts and things and will, upon request therefor by the Bank, execute, deliver, file and record, and the Debtor hereby authorizes the Bank to so file, all such other documents and instruments, including, without limitation, financing statements, security agreements, assignments and documents and powers of attorney with respect to the Collateral, and pay all filing fees and taxes related thereto, as the Bank in its reasonable discretion may deem necessary or advisable from time to time in order to attach, continue, preserve, perfect, and protect said security interest (including the filing at any time or times after the date hereof of financing statements under, and in the locations advisable pursuant to, the Code); and, the Debtor hereby irrevocably appoints the Bank, its officers, employees and banks, or any of them, as its attorney-in-fact for the Debtor to execute, deliver, file and record such items for the Debtor and in the Debtor's name, place and stead. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement. The Debtor acknowledges and agrees that (i) the power of attorney herein granted shall in no way be construed as to benefit such Debtor; (ii) the Bank herein granted this power of attorney shall have NO duty to exercise any powers granted hereunder for the benefit of the Debtor; and (iii) the Bank herein granted this power of attorney shall, to the extent exercisable, exercise any and all powers granted hereunder for the benefit of the Bank. The

Bank hereby accepts this power of attorney and all powers granted hereunder for the benefit of the Bank.

5. The Debtor covenants and agrees that:

(a) it will defend the Bank's right, title and lien on and security interest in and to the Collateral and the proceeds thereof against the claims and demands of all Persons whomsoever, other than any Person claiming a right in the Collateral pursuant to an agreement between such Person and the Bank;

(b) it will not suffer or permit to exist on any Collateral any lien other than liens which have been disclosed to the Bank prior to the date hereof;

(c) it will not take or omit to take any action, the taking or the omission of which might result in a material alteration (except as may be permitted by the Loan Agreement) or impairment of the Collateral or of the Bank's rights under this Agreement;

(d) it will not sell, assign, convey, transfer or otherwise dispose of any portion of the Collateral without the prior written consent of Bank;

(e) it will (i) maintain its chief executive office and keep the Collateral and all records pertaining thereto at the location specified on Schedule A hereto, unless it shall have given the Bank prior notice and taken any action reasonably requested by the Bank to maintain its security interest therein, (ii) if applicable, execute control agreements and cause other Persons to execute acknowledgments in form and substance satisfactory to the Bank evidencing the Bank's control with respect to all Collateral the control or acknowledgment of which perfects the Bank's security interest therein, and (iii) keep materially accurate and complete books and records concerning the Collateral and such other books and records as the Bank may from time to time reasonably require;

(f) it will promptly furnish to the Bank such information and documents relating to the Collateral as the Bank may reasonably request, all of the foregoing to be certified upon request of the Bank by an authorized officer of the Debtor;

(g) the Debtor will not change its state of incorporation, formation or organization, as applicable without providing thirty (30) days prior written notice the Bank;

(h) the Debtor will not change its name without providing thirty (30) days prior written notice to the Bank;

(i) the Debtor shall preserve its corporate existence and shall not (a) in one, or a series of related transactions, merge into or consolidate with any other entity, the survivor of which is not the Debtor, or (b) sell all or substantially all of its assets;

(j) the Debtor hereby authorizes the Bank to, at any time and from time to time, file in any one or more jurisdictions financing statements that describe the Collateral, together with continuation statements thereof and amendments thereto, without the signature of the Debtor and which contain any information required by the Code or any other applicable statute applicable to such jurisdiction for the sufficiency or filing office acceptance of any financing statements, continuation statements, or amendments. The Debtor agrees to furnish any such information to the Bank promptly upon request; and

(k) the Debtor shall at any time and from time to time take such steps as the Bank may reasonably request as are necessary for the Bank to insure the continued perfection of the Bank's security interest in the Collateral with the same priority required hereby and the preservation of its rights therein.

6. The Debtor assumes full responsibility for taking any and all necessary steps to preserve the Bank's rights with respect to the Collateral against all Persons. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Bank takes such action for that purpose as the Debtor shall request in writing, provided that such requested action will not, in the judgment of the Bank, impair the security interest in the Collateral created hereby or the Bank's rights in, or the value of, the Collateral, and provided further that such written request is received by the Bank in sufficient time to permit the Bank to take the requested action.

7. (a) At any time and from time to time whether or not an Event of Default then exists and without prior notice to or consent of the Debtor, the Bank may at its option take such actions as the Bank deems appropriate (i) to attach, perfect, continue, preserve and protect the Bank's security interest in or lien on the Collateral, and/or (ii) to inspect, audit and verify the Collateral, including reviewing all of the Debtor's books and records and copying and making excerpts therefrom, provided that prior to an Event of Default, the same is done with advance notice during normal business hours to the extent access to the Debtor's premises is required, and (iii) to add all liabilities, obligations, costs and expenses reasonably incurred in connection with the foregoing clauses (i) and (ii) to the Debt, to be paid by the Debtor to the Bank upon demand; and

(b) At any time and from time to time after an Event of Default exists and is continuing and without prior notice to or consent of the Debtor, the Bank may at its option take such action as the Bank deems appropriate (i) to maintain, repair, protect and insure the Collateral, and/or (ii) to perform, keep, observe and render true and correct any and all covenants, agreements, representations and warranties of the Debtor hereunder, and (iii) to add all liabilities, obligations, costs and expenses reasonably incurred in connection with the foregoing clauses (i) and (ii) to the Debt, to be paid by the Debtor to the Bank upon demand.

8. After there exists any Event of Default under the Loan Agreement:

(a) The Bank shall have and may exercise all the rights and remedies available to a Bank under the Code in effect at the time, and such other rights and remedies as may be provided by law and as set forth below, and Debtor hereby appoints the Bank, its officers, employees and agents, as its attorney in fact with all necessary power and authority to, if applicable, (i) take possession immediately, with or without notice, demand, or legal process, of any of or all of the Collateral wherever found, and for such purposes, enter upon any premises upon which the Collateral may be found and remove the Collateral therefrom, (ii) require the Debtor to assemble the Collateral and deliver it to the Bank or to any place designated by the Bank at the Debtor's expense, (iii) receive, open and dispose of all mail addressed to the Debtor and notify postal authorities to change the address for delivery thereof to such address as the Bank may designate, (iv) do all acts and things necessary, in the Bank's sole discretion, to fulfill the Debtor's obligations to the Bank under the Loan Agreement, Bond Documents or otherwise, (v) access and use the information recorded on or contained in any data processing equipment or computer hardware or software relating to Collateral or proceeds thereof to which the Debtor has access, (vi) demand, sue for, collect, compromise and give acquittances for any and all Collateral, (vii) prosecute, defend or compromise any action, claim or proceeding with respect to any of the Collateral, and (viii) take such other action as the Bank may deem appropriate. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement. To the extent permitted by Law, the Debtor hereby waives all claims of damages due to or arising from or connected with any of the rights or remedies exercised by the Bank pursuant to this Agreement. The Debtor acknowledges and agrees that (i) the power of attorney herein granted shall in no way be construed as to benefit the Debtor; (ii) the Bank herein granted this power of attorney shall have NO duty to exercise any powers granted hereunder for the benefit of the Debtor; and (iii) the Bank herein granted this power of attorney shall, to the extent exercisable, exercise any and all powers granted hereunder for the benefit of the Bank. The Bank hereby accepts this power of attorney and all powers granted hereunder for the benefit of the Bank.

(b) If applicable, the Bank shall have the right to lease, sell or otherwise dispose of all or any of the Collateral at public or private sale or sales for cash, credit or any combination thereof, with such notice as may be required by law (it being agreed by the Debtor that, in the absence of any contrary requirement of law, ten (10) days' prior notice of a public or private sale of Collateral shall be deemed reasonable notice), in lots or in bulk, for cash or on credit, all as the Bank, in its sole discretion, may deem advisable. Such sales may be adjourned from time to time with or without notice. The Bank shall have the right to conduct such sales on the Debtor's premises or elsewhere and shall have the right to use the Debtor's premises without charge for such sales for such time or times as the Bank may see fit. The Bank may purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Debt.

(c) The Debtor, at its cost and expense (including the cost and expense of any of the following referenced consents, approvals etc.) will promptly execute and deliver or cause the execution and delivery of all applications, certificates, instruments, registration statements, and all other documents and papers the Bank may request in connection with the obtaining of any consent, approval, registration, qualification, permit, license, accreditation, or authorization of any other official body or other Person necessary or appropriate for the effective exercise of any rights hereunder or under the other Bond Documents. Without limiting the generality of the foregoing, the Debtor agrees that in the event the Bank shall exercise its rights hereunder or pursuant to the other Bond Documents, to sell, transfer, or otherwise dispose of, or vote, consent, operate, or take any other action in connection with any of the Collateral, the Debtor shall execute and deliver (or cause to be executed and delivered) all applications, certificates, assignments and other documents that the Bank requests to facilitate such actions and shall otherwise promptly, fully, and diligently cooperate with the Bank and any other Person in making any application for the prior consent or approval of any official body or any other Person to the exercise by the Bank or any such rights relating to all or any of the Collateral. Furthermore, because the Debtor agrees that the remedies at law of the Bank for failure of the Debtor to comply with this Subsection (c) would be inadequate, and that any such failure would not be adequately compensable in damages, the Debtor agrees that this Subsection (c) may be specifically enforced.

9. The lien on and security interest in the Debtor's Collateral granted to and created in favor of the Bank by this Agreement shall be for the benefit of the Bank and its affiliates. Each of the rights, privileges, and remedies provided to the Bank hereunder or otherwise by law with respect to the Debtor's Collateral shall be exercised by the Bank only for its own benefit, and any of the Debtor's Collateral or proceeds thereof held or realized upon at any time by the Bank shall be applied in accordance with the Code or other applicable law. The Debtor shall remain liable to the Bank and its affiliates for and shall pay to the Bank and its affiliates any deficiency which may remain after such sale or collection.

10. Upon indefeasible payment in full of the Debt and termination of the Loan Agreement, this Agreement shall terminate and be of no further force and effect. Until such time, however, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11. No failure or delay on the part of the Bank in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof or of any other right, remedy, power or privilege of the Bank hereunder; nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. No waiver of a single Event of Default shall be deemed a waiver of a subsequent Event of Default. All waivers under this Agreement must be in writing. The rights and remedies of the Bank under this Agreement are cumulative and in addition to any rights or remedies which it may otherwise have, and

the Bank may enforce any one or more remedies hereunder successively or concurrently at its option.

12. All notices, statements, requests and demands given to or made upon either party hereto in accordance with the provisions of this Agreement shall be given or made as provided in Section 9 (f) of the Loan Agreement.

13. The Debtor agrees that as of the date hereof, all information contained on Schedule A attached hereto is accurate and complete and contains no omission or misrepresentation. The Debtor shall promptly notify the Bank of any changes in the information set forth thereon.

14. The Debtor acknowledges that the provisions hereof giving the Bank rights of access to books, records and information concerning the Collateral and the Debtor's operations and providing the Bank access to the Debtor's premises are intended to afford the Bank with immediate access to current information concerning the Debtor and its activities, including without limitation, the value, nature and location of the Collateral so that the Bank can, among other things, make an appropriate determination after the occurrence of an Event of Default, whether and when to exercise its other remedies hereunder and at law. The Debtor further acknowledges that should the Debtor at any time fail to promptly provide such information and access to the Bank, the Debtor acknowledges that the Bank would have no adequate remedy at law to promptly obtain the same. The Debtor agrees that the provisions hereof may be specifically enforced by the Bank and waives any claim or defense in any such action or proceeding that the Bank has an adequate remedy at law.

15. This Agreement shall be binding upon and inure to the benefit of the Bank and its successors and assigns, and the Debtor and its successors and assigns, except that the Debtor may not assign or transfer the Debtor's obligations hereunder or any interest herein.

16. This Agreement shall be deemed to be a contract under the laws of the State of West Virginia and for all purposes shall be governed by and construed in accordance with the laws of said State excluding its rules relating to conflicts of law.

17. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

18. The Debtor hereby irrevocably submits to the nonexclusive jurisdiction of any West Virginia State or Federal Court sitting in Kanawha County, West Virginia, in any action or proceeding arising out of or relating to this Agreement, and the Debtor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such West Virginia State or Federal court. The Debtor hereby waives to the fullest extent

it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. The Debtor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (or any political subdivision thereof) by suit on the judgment or in any other manner provided by law.

19. EXCEPT AS PROHIBITED BY LAW, THE DEBTOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER BOND DOCUMENTS OR TRANSACTIONS RELATING THERETO.

20. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. The Debtor acknowledges and agrees that a telecopy transmission to the Bank of the signature pages hereof purporting to be signed on behalf of the Debtor shall constitute effective and binding execution and delivery hereof by the Debtor.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the day and year first above set forth.

REGIONAL DEVELOPMENT AUTHORITY OF
CHARLESTON-KANAWHA COUNTY, WEST
VIRGINIA METROPOLITAN REGION,
a West Virginia public corporation

By: W B Bradshaw

Title: President

JPMORGAN CHASE BANK, NA,
a national banking association

By: [Signature]

Title: Senior Vice President

**SCHEDULE A
TO
SECURITY AGREEMENT**

1. The chief executive office of the Debtor is located at:

409 Virginia Street East
Charleston, West Virginia 25301
Kanawha County

2. The Debtor's true and full name is as follows: Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region. The Debtor uses no trade names or fictitious names.

3. The Debtor's form of organization is as follows: Public Corporation

4. The Debtor's state of organization is as follows: West Virginia

5. All of the Debtor's personal property which has not been delivered to the Bank pursuant to the terms of this Agreement or the Loan Agreement is now, and will be at all future times, located at the Debtor's chief executive office as described in Paragraph 1 above, except as specified below:

6. The Debtor's books and records, including those relating to accounts payable and accounts receivable, are kept at the Debtor's chief executive office as described in Paragraph 1 above, except as specified below:

REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-
KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION
Waterworks Revenue Bonds, Series 2005 A (Taxable)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, John T. Copenhaver, III, Senior Vice President of JPMorgan Chase Bank, NA, Charleston, West Virginia (the "Purchaser"), for and on behalf of the Purchaser, and Damron Bradshaw, President of the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

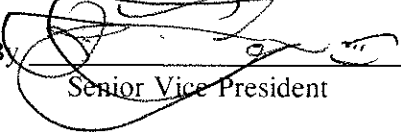
1. On the 28th day of June, 2005, in Charleston, West Virginia, the Purchaser received the entire original issue of \$260,000 principal amount of the Waterworks Revenue Bonds, Series 2005 A (Taxable), of the Issuer (the "Bonds"), issued as a single Bond, numbered R-1, and dated June 28, 2005. The Bonds represent all of the entire above-captioned Bond issue.

2. At the time of such receipt of the Bonds upon original issuance, the Bonds had been executed by the President of the Issuer and the Executive Secretary of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of \$260,000, being the entire principal amount of the Bonds.

WITNESS our respective signatures on this 28th day of June, 2005.

JPMORGAN CHASE BANK, NA

By 
Senior Vice President

REGIONAL DEVELOPMENT AUTHORITY OF
CHARLESTON-KANAWHA COUNTY, WEST
VIRGINIA METROPOLITAN REGION

By 
President

06/23/05
919120.00267

REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-
KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION
Waterworks Revenue Bonds, Series 2005 A (Taxable)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

JPMorgan Chase Bank, NA,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. R-1, constituting the entire original issue of the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region Waterworks Revenue Bonds, Series 2005 A (Taxable), in the principal amount of \$260,000, dated June 28, 2005 (the "Bonds"), executed by the President and Executive Secretary of the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on May 19, 2005 (the "Bond Legislation");

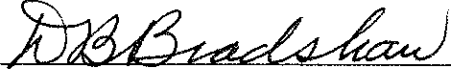
(2) A copy of the Bond Legislation authorizing the above-described Bond issue, duly certified by the Secretary of the Issuer; and

(3) An executed, unqualified approving opinion of nationally recognized bond counsel regarding the validity of the Bonds.

You are hereby requested and authorized to deliver the Bonds to JPMorgan Chase Bank, NA, Charleston, West Virginia, as the Original Purchaser thereof, upon payment to the Issuer of the sum of \$260,000, representing the entire principal amount of the Bonds. Prior to the delivery of the Bonds, please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated this 28th day of June, 2005.

REGIONAL DEVELOPMENT AUTHORITY OF
CHARLESTON-KANAWHA COUNTY, WEST
VIRGINIA METROPOLITAN REGION



President

06/23/05
919120.00267

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-
KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION
WATERWORKS REVENUE BONDS,
SERIES 2005 A (TAXABLE)

No. R-1

\$260,000

KNOW ALL MEN BY THESE PRESENTS: That REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION (the "Issuer"), a public corporation and a duly constituted county development authority in Kanawha County, West Virginia, for value received, hereby promises to pay, solely from the sources and in the manner hereinafter provided therefor, to the order of

- JPMORGAN CHASE BANK, NA -

or registered assigns (the "Registered Owner"), the principal sum of Two Hundred Sixty Thousand and 00/100 DOLLARS (\$260,000) in lawful money of the United States of America, or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as evidenced by the Record of Advances attached as EXHIBIT A hereto and incorporated herein by reference as a part hereof, with interest at the rates per annum set forth in paragraph A below, as applicable, in monthly installments of interest, or principal and interest, as set forth in paragraph B below.

(A) This Bond shall bear interest on the outstanding principal amount thereof from the date of each advance to and including the maturity or early prepayment thereof at the rate of 6.82 % per annum.

(B) Principal of and interest on this Bond are payable by check or draft to JPMorgan Chase Bank, NA, Charleston, West Virginia (the "Paying Agent") mailed to the Registered Owner hereof at the address as it appears on the books of JPMorgan Chase Bank, NA, Charleston, West Virginia, as registrar (the "Registrar"). On October 1, 2005, the Issuer shall pay an interest only payment in an amount equal to the accrued interest from the Closing Date up to and including to October 1, 2005. Thereafter, on the 1st day of each month thereafter for a period of 59 months, commencing November 1, 2005, and continuing to and including September 1, 2010, the monthly installments shall consist of principal and interest in the amount of \$2,994.76, based upon an amortization period of

120 months. The Issuer shall make a final payment on October 1, 2010 in an amount equal to the then outstanding principal balance plus accrued interest thereon.

Interest shall be computed on the basis of a year of 360 days and 12 months of 30 days each, payable for the actual number of days elapsed during any portion of a month. If this Bond is paid in full more than six (6) calendar months prior to the maturity date, the Issuer shall pay a prepayment premium equal to the prepaid principal multiplied by the premium percentage. The premium percentage shall be equal to one percent (1.0%) multiplied by the number of years plus one for any additional part or portion of a year between the date of the prepayment and the maturity date of this Bond; provided that the premium percentage shall not exceed five percent (5.0%) of the prepaid principal.

This Bond is issued to provide funds to permanently finance the costs of additions and betterments to the public waterworks system of the Issuer consisting of water line extensions to water consumers in various locations in Kanawha County, West Virginia, together with all appurtenant facilities (the "Project"). The Project and any further additions, betterments or improvements thereto are herein called the "Series 2005 A Facilities." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on May 19, 2005 (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. Reference is hereby made to the Bond Legislation, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties, and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owner of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Bond Legislation are on file at the office of the Secretary of the Issuer.

THIS BOND IS JUNIOR AND SUBORDINATE AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT TO THE ISSUER'S PUBLIC WATERWORKS REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,705,000, AND PUBLIC WATERWORKS LEASE REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,950,000 (THE "SERIES 2000 B BONDS" AND TOGETHER WITH THE SERIES 2000 A BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS"), AND THE ISSUER'S WATER REVENUE NOTES, SERIES 1999 A, OF THE ISSUER, ISSUED IN

THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000 (THE "PRIOR NOTES").

This Bond and the interest thereon are payable only from and secured by a lien on the Surplus Revenues and Surcharges (as defined in the Bond Legislation), junior and subordinate with respect to liens, pledge and source of and security for payment with the Prior Bonds and the Prior Notes. The Issuer hereby and in the Bond Legislation pledges such revenues to such payment. Such Surplus Revenues and Surcharges shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Bond Legislation.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Surplus Revenues, Surcharges and unexpended proceeds of the Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All monies received from the sale of this Bond shall be applied solely to payment of the Notes, payment of the costs of the Project and costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

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

This Bond, together with interest hereon, is, under the Act, exempt from all taxes by the State of West Virginia.

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

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

IN WITNESS WHEREOF, REGIONAL DEVELOPMENT AUTHORITY
OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN
REGION has caused this Bond to be signed by its President, and its corporate seal to be
hereunto affixed and attested by its Executive Secretary, and has caused this Bond to be dated
June 28, 2005.

[SEAL]


President

ATTEST:

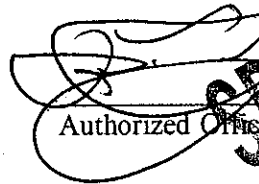

Executive Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: June 28, 2005.

JPMORGAN CHASE BANK, NA
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>		<u>DATE</u>	<u>AMOUNT</u>		<u>DATE</u>
(1)	\$ 260,000.00	6/28/05	(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	
TOTAL			\$260,000.00		

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint
_____, Attorney to transfer the said Bond
on the books kept for registration of the within Bond of the said Issuer with full power of
substitution in the premises.

Dated: _____, _____.

In the presence of:

06/28/05
919120.00267

June 28, 2005

Regional Development Authority of Charleston-
Kanawha County, West Virginia Metropolitan Region
Waterworks Revenue Bonds, Series 2005 A (Taxable)

Regional Development Authority of Charleston-
Kanawha County, West Virginia Metropolitan Region
Charleston, West Virginia

JPMorgan Chase Bank, NA
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region (the "Issuer"), a public corporation and a duly constituted county development authority, created and existing under the laws of the State of West Virginia, of its \$260,000 Waterworks Revenue Bonds, Series 2005 A (Taxable), dated the date hereof (the "Bonds"). The Bonds have been sold to JPMorgan Chase Bank, NA, Charleston, West Virginia (the "Purchaser").

The Bonds are originally issued in the form of one Bond, numbered R-1, with interest payable at the rate of 6.82% per annum. On October 1, 2005, the Issuer shall make an interest only payment in an amount equal to the accrued interest from the date of delivery of the Bonds up to and including October 1, 2005, and thereafter, the Issuer shall make 59 consecutive principal and interest payments in the amount of \$2,994.76, based upon an amortization period of 120 months, payable monthly on the first day of each month, commencing November 1, 2005, with a final payment of the entire outstanding principal balance of the Bonds, together with accrued interest, due on October 1, 2010. The Bonds are being issued pursuant to a Loan Agreement by and between the Issuer and the Purchaser, dated June 28, 2005 (the "Loan Agreement"). To secure the Bonds, a Security Agreement dated June 28, 2005, has been entered into by and between the Issuer and the Purchaser (the "Security Agreement").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on May 19, 2005 (the "Bond Legislation"), for the purposes of permanently financing the costs of additions and betterments to the public waterworks system of the Issuer, consisting of the construction and installation of water line extensions to water consumers on Upper Frame Road and in various rural

locations in Kanawha County, West Virginia. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation when used herein.

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

1. The Issuer is duly created and validly existing as a public corporation and county development authority, with full power and authority to enter into the Loan Agreement and the Security Agreement and the transactions contemplated thereby, and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Bond Legislation has been duly and effectively adopted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

3. The Loan Agreement and the Security Agreement have been duly authorized, executed and delivered by the Issuer, and assuming due authorization, execution and delivery by the other parties thereto, and subject to the limitations set forth in paragraph 6 hereof, constitute valid, binding and enforceable agreements of the Issuer in accordance with their terms.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Purchaser and are valid, legally enforceable and binding special obligations of the Issuer, payable from and secured by a lien on Surplus Revenues and Surcharges, junior and subordinate as to lien, pledge and source of and security for payment with the Prior Bonds and Prior Notes of the Issuer, all in accordance with the terms of the Bonds and the Bond Legislation.

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

6. It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Legislation, the Loan Agreement, the Security Agreement and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and that certain remedies under the Bond Legislation, the Loan Agreement and the Security Agreement may be limited by public policy or such judicial discretion.

Regional Development Authority of Charleston-
Kanawha County, West Virginia Metropolitan Region, et al.
Page 3

We have examined the executed and authenticated 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,


STEPTOE & JOHNSON PLLC

06/28/05
919120.00267

CH757189.1

REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-
KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION
Waterworks Revenue Bonds, Series 2005 A (Taxable)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. INSURANCE
10. SIGNATURES; DELIVERY AND PAYMENT
11. SPECIMEN BOND
12. CONFLICT OF INTEREST

We, the undersigned PRESIDENT AND EXECUTIVE SECRETARY of the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, Charleston, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the \$260,000 principal amount of the Issuer's Waterworks Revenue Bonds, Series 2005 A (Taxable) (the "Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as in the Bond Resolution of the Issuer duly adopted May 19, 2005 (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 acquisition and construction of the Project, the issuance, sale or delivery of the Bonds, the authorization or execution of the documents related to the Bonds (the "Bond Documents"), the operation of the Series 2005 A Facilities, the receipt of the Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Surplus Revenues and the Surcharges or any other moneys or security provided for the payment of the Bonds or the due organization and valid existence or the powers of the Issuer, insofar as they relate to the Project, the sale and issuance of the Bonds or the validity or enforceability of the Bond

Documents, the operation of the Series 2005 A Facilities, the application or the collection of the Revenues or the pledge of Surplus Revenues and Surcharges as security for the Bonds.

3. **GOVERNMENTAL APPROVALS:** All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law, for the acquisition, construction and equipping of the Project, the operation of the Series 2005 A Facilities and the issuance of the Bonds have been obtained and remain in full force and effect, the time for appeal of which has expired without appeal. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia (the "Public Service Commission") entered on April 16, 2004, which became final on May 6, 2005, in Case No. 04-0007-W-CN, and the Commission Order of the Public Service Commission on September 18, 2003, in Case No. 03-0610-W-CN, granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing thereof. The time for appeal of such Commission Order has expired without appeal.

4. **INDEBTEDNESS:** Other than the Prior Notes and the Prior Bonds of the Issuer, there are no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Bonds as to liens, pledge, source of and security for payment.

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 Resolution

Minutes on Adoption of Bond Resolution

Public Service Commission Orders

Loan Agreement

Security Agreement

County Commission Order Creating Issuer

County Commission Orders Appointing Current Members of Issuer

Oaths of Office of Current Members of Issuer

Bylaws of Issuer

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region." The Issuer is public corporation and a duly created and validly existing county development authority in Kanawha County, West Virginia. The governing body of the Issuer is its board of directors (the "Governing Body"). Each of the following persons has been duly appointed to the Governing Body of the Issuer by The County Commission of Kanawha County and each member was, at the time of such appointment, and presently is, duly qualified, authorized and acting in accordance with the provisions of West Virginia law for such office, for a term of office expiring on the date set opposite his or her name below:

<u>Name</u>	<u>Date of Termination of Office</u>
Charles H. Armstrong	July 11, 2005
Billy Pauley	September 19, 2005
Mike Reed	December 22, 2007
Dan Halloran	December 22, 2007
Essie Ford, Jr.	December 22, 2007
Charles Blair	December 22, 2007
Larry Conley	December 22, 2007
Damron Bradshaw	December 22, 2007
John Jones	December 22, 2007
Butch Buckley	December 22, 2007
Fern Jobe	February 3, 2008
Timothy Sizemore	February 3, 2008
K. E. Thomas	February 3, 2008
Kenneth Barton	
Mike Clowser	
Donna Gillenwater	
Rusty Casto	
Frank Morris	
Kent Carper	
Richard Milam	

The names of the duly elected and/or appointed, qualified and acting officers of the board of directors of the Issuer for calendar year 2005 are as follows:

President	-	Damron Bradshaw
Vice President	-	Dan Halloran
Treasurer	-	Billy Pauley
Executive Secretary	-	Theresa Hudson

The duly appointed and acting counsel to the Issuer is Marc J. Slotnick, Esquire, 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 Series 2005 A Facilities have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. **MEETINGS, ETC.:** All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the Series 2005 A Facilities 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 Bylaws 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. **INSURANCE:** All insurance for the Series 2005 A Facilities required by the Bond Legislation is in full force and effect.

10. **SIGNATURES; DELIVERY AND PAYMENT:** On the date hereof, the Bonds were sold to JPMorgan Chase Bank, NA, Charleston, West Virginia (the "Purchaser"), at the price of \$260,000 (100% of par value), there being no interest accrued thereon. The undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, numbered R-1, dated the date hereof, by his manual signature, and the undersigned Executive Secretary did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Purchaser. Said official seal is also impressed above the signatures appearing on this certificate. At the time of delivery of the Bonds, there was paid to the Issuer by the Purchaser the sum of \$260,000, being the entire principal amount of the Bonds.

11. **SPECIMEN BOND:** Delivered concurrently herewith is a true and accurate specimen of the Bond.

12. **CONFLICT OF INTEREST:** No director, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project or Series 2005 A Facilities, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures and the official seal of the REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION on this 28th day of June, 2005.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

DB Bradshaw

President

Yvonne Hudson

Executive Secretary

M J S

Counsel to the Issuer

06/23/05
919120.00267

WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Suite 500, Terminal Building
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: June 28, 2005

(See Reverse for Instructions)

ISSUE: Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region
Waterworks Revenue Bonds, Series 2005 A (Taxable)

ADDRESS: 409 Virginia Street East, Charleston, WV 25301 COUNTY: Kanawha

PURPOSE OF ISSUE: New Money: x
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: June 28, 2005

CLOSING DATE: June 28, 2005

ISSUE AMOUNT: \$260,000

RATE: 6.82%

1ST DEBT SERVICE DUE: October 1, 2005

1ST PRINCIPAL DUE: November 1, 2005

1ST DEBT SERVICE AMOUNT: Accrued interest due
10/1/05; monthly payments of \$2,994.76 begin 11/1/05

PAYING AGENT: JPMorgan Chase Bank, NA

BOND

COUNSEL: Steptoe & Johnson PLLC
Contact Person: John C. Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS

COUNSEL: N/A
Contact Person: _____ Phone: _____

CLOSING BANK: JPMorgan Chase Bank, NA
Contact Person: John T. Copenhaver, III
Phone: 304.348.4413

ESCROW TRUSTEE: N/A
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Damron Bradshaw
Position: President
Phone: 304.357.0750

OTHER: _____
Contact Person: _____
Function: _____
Phone: _____

DEPOSITS TO MBC AT CLOSE: _____
By: _____ Wire _____
X Check X Reserve Account: \$ 35,937.12
Capitalized Interest: \$ _____
Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire _____ To Escrow Trustee: \$ _____
_____ Check _____ To Issuer \$ _____
_____ IGT _____ To Cons. Invest. Fund \$ _____
_____ To Other: _____ \$ _____

NOTES: The Issuer will fully fund the Series 2005 A Bonds Reserve Account at closing.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

06/28/05
919120.00267