

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

WATERWORKS REVENUE BONDS, SERIES 2009 A

BOND ORDINANCE

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Bond Ordinance

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

ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA (METROPOLITAN REGION) AND THE PERMANENT FINANCING OF THE COSTS THEREOF THROUGH THE ISSUANCE BY THE ISSUER OF NOT MORE THAN \$1,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS REVENUE BONDS, IN ONE OR MORE SERIES AS MAY BE NECESSARY FROM TIME TO TIME; 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:

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 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 of a variety of waterline extensions throughout the County, together with improvements to the system and all appurtenant facilities, all as more fully defined in subsequent supplemental resolutions (collectively, the "Project" or the "Series 2009 A Facilities").

C. The Issuer has determined that the Project should be operated, maintained, repaired and replaced by West Virginia-American Water Company, a West Virginia corporation (the "Company"), pursuant to the terms of an Agreement by and among the Issuer and the Company (the "O&M Agreement").

D. 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.

E. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, in one or more series as may be necessary from time to time, in the total aggregate principal amount of not more than \$1,200,000 (the "Bonds"), the first such series of which shall initially be represented by a single bond (the "Series 2009 A Bonds"), to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the 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 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 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

F. It is in the best interests of the Issuer that its Series 2009 A Bonds be sold to the Original Purchaser (as hereinafter defined) pursuant to terms of that certain Loan Agreement, dated as of the Closing Date, by and between the Issuer and the Original Purchaser (the "Loan Agreement").

G. There are outstanding obligations of the Issuer which will rank senior and prior to the Series 2009 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's: (i) 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, (ii) 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 collectively with the Series 2000 A Bonds, the "Prior First Lien Bonds"), and (iii) Water Revenue Notes, Series 1999 A, issued in the original aggregate principal amount of \$7,000,000 (the "Prior Notes"). There are also outstanding the Issuer's Waterworks Revenue Bonds, Series 2005 A (Taxable), dated June 28, 2005, issued in the original aggregate principal amount of \$260,000 (the "Series 2005 A Bonds"). The Series 2009 A Bonds shall be junior and subordinate to the Prior Notes and the Prior First Lien Bonds as to liens, pledge and source of and security for payment. The Series 2009 A Bonds shall be issued on a parity with respect to lien, source of and security for payment with the Series 2005 A Bonds. The Series 2009 A Bonds, together with the Series 2005 A Bonds, shall be paid from the Surplus Revenues of the System and from the Surcharges.

H. The Issuer has complied with all requirements of West Virginia law relating to the Project and the operation of the Series 2009 A Facilities and issuance of the 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 2009 A Bonds or such final order will not be subject to appeal or rehearing.

I. The period of usefulness of the Series 2009 A Facilities after completion of the Project is not less than 40 years.

J. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 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.

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

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

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

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

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

"Bonds" means the Waterworks Revenue Bonds herein authorized and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"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 any series of the Bonds for the proceeds representing the purchase price thereof.

"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 2009 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 public corporation and governing body of Kanawha County, 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 2009 A Facilities or for any other purpose except keeping the accounts of the Series 2009 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, 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 2009 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 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 JPMorgan Chase Bank, NA, and its successors and assigns.

"President" means the President of the Issuer.

"Prior First Lien 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 First Lien Bonds, the Series 2005 A Bonds and the 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), dated June 28, 2005, issued in the original aggregate principal amount of \$260,000.

"Series 2005 A Bonds Fund" means the Series 2005 A Bonds Fund established by the Prior Resolutions and continued in Section 5.01 hereof.

"Series 2009 A Bonds" means the Waterworks Revenue Bonds, Series 2009 A (Taxable), authorized to be issued by the Issuer pursuant to this Ordinance.

"Series 2009 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 Ordinance.

"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 First Lien 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 ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.
There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$1,200,000, in accordance with the plans and specifications which have been or shall hereafter be prepared by the Consulting Engineer and filed in the office of the Issuer. The proceeds of the Series 2009 A Bonds hereby authorized shall be applied as provided in Article VI hereof and the proceeds of any additional Bonds shall be applied as set forth by Supplemental Resolution. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Original Purchaser and the Council.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Bonds, funding a reserve fund for the Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Bonds of the Issuer. The Bonds of each series shall be issued as a single bond, designated "Water Revenue Bonds," in the principal amount of not more than \$1,200,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Bonds remaining after capitalizing interest on the Bonds, if any, paying costs of issuance, and funding reserve accounts shall be deposited in or credited to the Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. 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 Original Purchaser is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the 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 Bonds, all as provided in the Supplemental Resolution. 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 Registered Owner 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.

Section 3.03. Execution of Bonds. The 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 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 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 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The 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 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 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 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 First Lien Bonds and the Prior Notes. The lien upon the Surplus Revenues and Surcharges in favor of the Bonds shall be on a parity with the lien thereon in favor of the Series 2005 A Bonds. Such Surplus Revenues and Surcharges in an amount sufficient to pay the principal of and interest on and other payments for the 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 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Bonds to the original purchasers thereof upon receipt of the documents set forth below:

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

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 of such Bonds;

E. A copy of the O&M Agreement, as amended; and

F. The unqualified approving opinion of bond counsel on the Bonds.

Section 3.10. Form of Bonds. The text of the Series 2009 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. The text of any subsequent series of the Bonds shall also be in substantially the following form, with the final form of such series of Bonds being approved by Supplemental Resolution adopted by the Issuer:

(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 2009 A (Taxable)

No. AR-1

\$162,000

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 ONE HUNDRED SIXTY TWO THOUSAND AND 00/100 DOLLARS (\$162,000) 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 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 7.2 % per annum.

(B) Principal of and interest on this Bond are payable by check or draft of JPMorgan Chase Bank, NA (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"). As indicated in the Debt Service Schedule attached hereto as EXHIBIT B, on the 1st day of each month for a period of 119 months, commencing June 1, 2009, and continuing to and including April 1, 2019, monthly installments of principal and interest in the amount of \$1,903.36 shall be paid to the Registered Owner. The Issuer shall make a final payment on May 1, 2019 in an amount equal to the then outstanding principal balance plus accrued interest thereon.

The annual interest rate for this Bond is computed on a 30/360 basis; that is, with the exception of odd days interest in the first payment period, monthly interest is calculated by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by a month of 30 days. Interest for the odd days is calculated on the basis of the actual days to the next full month and a 360 day year.

If the Issuer prepays all or any part of the principal balance of this Bond, then the Issuer shall pay to the Registered Owner a prepayment premium ("Premium") equal to the Prepaid Principal multiplied by the Premium Percentage. The term "Premium Percentage" shall mean five percent (5%) beginning on the date of this Bond and ending on (and including) the first anniversary date of this Bond; four percent (4%) beginning on the day after the first anniversary date of this Bond and ending on (and including) the second anniversary date of this Bond; three percent (3%) beginning on the day after the second anniversary date of this Bond and ending on (and including) the third anniversary date of this Bond; two percent (2%) beginning on the day after the third anniversary date of this Bond and ending on (and including) the fourth anniversary date of this Bond; one percent (1%) beginning on the day after the fourth anniversary date of this Bond and ending on (and including) the fifth anniversary date of this Bond; and zero percent (0%) beginning on the day after the fifth anniversary date of this Bond and thereafter. The term "Prepaid Principal" shall mean the principal being prepaid on the Prepayment Date. The term "Prepayment Date" shall mean the date the prepayment is tendered. Notwithstanding anything herein to the contrary, a Premium shall not be due on any partial prepayment until the total of all partial prepayments paid during the calendar year (in which the partial prepayment is being tendered) has exceeded the following: (a) for Bonds with an original principal amount of \$500,000.00 or less, \$25,000.00, (b) for Bonds with an original principal amount of more than \$500,000.00 up to \$2,000,000.00, 5% of the original principal amount of this Bond and (b) for Bonds with an original principal amount of more than \$2,000,000.00, \$100,000.00. All partial prepayments shall be applied in such order and manner as the Registered Owner may from time to time determine in its sole discretion. A Premium shall be due whether a prepayment is made voluntarily or, where allowed by applicable law, made involuntarily as a result of the acceleration of maturity upon a default or otherwise. Failure by the Registered Owner to collect or demand a Premium at the time of prepayment shall not be deemed a waiver of the Registered Owner's right to such Premium or to any future premium.

This Bond is issued to provide funds to finance the costs of additions and betterments to the public waterworks system of the Issuer consisting of the construction of a variety of waterline extensions throughout the County, together with improvements to the system and all appurtenant facilities (the "Project"). The Project and any further additions, betterments or improvements thereto are herein called the "Series 2009 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 Ordinance duly enacted by the Issuer on April 16, 2009 (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 FIRST LIEN 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 IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT TO THE ISSUER'S WATERWORKS REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 28, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$260,000 (THE "SERIES 2005 A BONDS").

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 First Lien Bonds and the Prior Notes, and on a parity with respect to liens, pledge and source of and security for payment with the Series 2005 A Bonds. 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 costs of the Project, the payment of capitalized interest on the Bonds, if any, funding a reserve account for the Bonds, and the payment of 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.

[Remainder of Page Intentionally Left Blank]

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 _____, 2009.

[SEAL]

President

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: _____, 2009.

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) \$ 162,000	4/16/09	(7) \$	
(2) \$		(8) \$	
(3) \$		(9) \$	
(4) \$		(10) \$	
(5) \$		(11) \$	
(6) \$		(12) \$	

TOTAL \$ 162,000

EXHIBIT B

DEBT SERVICE SCHEDULE

(Attached Hereto)

PRECOMP / SIMPLE

AMOUNT FINANCED 162000.00 REPAYMENT TYPE 1

DUE DATE 06 01 09 INTEREST RATE 7.200 APR 7.200

ADV DATE 04 16 09 NO PAYMENTS 120 PTS/SVC CHG 0.00

ENTER PAYMENT NUMBER 013

PYMT DATE	PYMT NO	PAYMENT AMT	PRINCIPAL	INTEREST	BALANCE
06/01/09	1	1903.36	445.36	1458.00	161554.64
07/01/09	2	1903.36	934.03	969.33	160620.61
08/01/09	3	1903.36	939.64	963.72	159680.97
09/01/09	4	1903.36	945.27	958.09	158735.70
10/01/09	5	1903.36	950.95	952.41	157784.75
11/01/09	6	1903.36	956.65	946.71	156828.10
12/01/09	7	1903.36	962.39	940.97	155865.71
01/01/10	8	1903.36	968.17	935.19	154897.54
02/01/10	9	1903.36	973.97	929.39	153923.57
03/01/10	10	1903.36	979.82	923.54	152943.75
04/01/10	11	1903.36	985.70	917.66	151958.05
05/01/10	12	1903.36	991.61	911.75	150966.44
06/01/10	13	1903.36	997.56	905.80	149968.88
07/01/10	14	1903.36	1003.55	899.81	148965.33
08/01/10	15	1903.36	1009.57	893.79	147955.76
09/01/10	16	1903.36	1015.63	887.73	146940.13
10/01/10	17	1903.36	1021.72	881.64	145918.41
11/01/10	18	1903.36	1027.85	875.51	144890.56
12/01/10	19	1903.36	1034.02	869.34	143856.54
01/01/11	20	1903.36	1040.22	863.14	142816.32
02/01/11	21	1903.36	1046.46	856.90	141769.86
03/01/11	22	1903.36	1052.74	850.62	140717.12
04/01/11	23	1903.36	1059.06	844.30	139658.06
05/01/11	24	1903.36	1065.41	837.95	138592.65
06/01/11	25	1903.36	1071.80	831.56	137520.85
07/01/11	26	1903.36	1078.23	825.13	136442.62
08/01/11	27	1903.36	1084.70	818.66	135357.92
09/01/11	28	1903.36	1091.21	812.15	134266.71
10/01/11	29	1903.36	1097.76	805.60	133168.95
11/01/11	30	1903.36	1104.35	799.01	132064.60
12/01/11	31	1903.36	1110.97	792.39	130953.63
01/01/12	32	1903.36	1117.64	785.72	129835.99
02/01/12	33	1903.36	1124.34	779.02	128711.65
03/01/12	34	1903.36	1131.09	772.27	127580.56
04/01/12	35	1903.36	1137.88	765.48	126442.68
05/01/12	36	1903.36	1144.70	758.66	125297.98
06/01/12	37	1903.36	1151.57	751.79	124146.41
07/01/12	38	1903.36	1158.48	744.88	122987.93
08/01/12	39	1903.36	1165.43	737.93	121822.50
09/01/12	40	1903.36	1172.43	730.93	120650.07
10/01/12	41	1903.36	1179.46	723.90	119470.61
11/01/12	42	1903.36	1186.54	716.82	118284.07

12/01/12	43	1903.36	1193.66	709.70	117090.41
01/01/13	44	1903.36	1200.82	702.54	115889.59
02/01/13	45	1903.36	1208.02	695.34	114681.57
03/01/13	46	1903.36	1215.27	688.09	113466.30
04/01/13	47	1903.36	1222.56	680.80	112243.74
05/01/13	48	1903.36	1229.90	673.46	111013.84
06/01/13	49	1903.36	1237.28	666.08	109776.56
07/01/13	50	1903.36	1244.70	658.66	108531.86
08/01/13	51	1903.36	1252.17	651.19	107279.69
09/01/13	52	1903.36	1259.68	643.68	106020.01
10/01/13	53	1903.36	1267.24	636.12	104752.77
11/01/13	54	1903.36	1274.84	628.52	103477.93
12/01/13	55	1903.36	1282.49	620.87	102195.44
01/01/14	56	1903.36	1290.19	613.17	100905.25
02/01/14	57	1903.36	1297.93	605.43	99607.32
03/01/14	58	1903.36	1305.72	597.64	98301.60
04/01/14	59	1903.36	1313.55	589.81	96988.05
05/01/14	60	1903.36	1321.43	581.93	95666.62
06/01/14	61	1903.36	1329.36	574.00	94337.26
07/01/14	62	1903.36	1337.34	566.02	92999.92
08/01/14	63	1903.36	1345.36	558.00	91654.56
09/01/14	64	1903.36	1353.43	549.93	90301.13
10/01/14	65	1903.36	1361.55	541.81	88939.58
11/01/14	66	1903.36	1369.72	533.64	87569.86
12/01/14	67	1903.36	1377.94	525.42	86191.92
01/01/15	68	1903.36	1386.21	517.15	84805.71
02/01/15	69	1903.36	1394.53	508.83	83411.18
03/01/15	70	1903.36	1402.89	500.47	82008.29
04/01/15	71	1903.36	1411.31	492.05	80596.98
05/01/15	72	1903.36	1419.78	483.58	79177.20
06/01/15	73	1903.36	1428.30	475.06	77748.90
07/01/15	74	1903.36	1436.87	466.49	76312.03
08/01/15	75	1903.36	1445.49	457.87	74866.54
09/01/15	76	1903.36	1454.16	449.20	73412.38
10/01/15	77	1903.36	1462.89	440.47	71949.49
11/01/15	78	1903.36	1471.66	431.70	70477.83
12/01/15	79	1903.36	1480.49	422.87	68997.34
01/01/16	80	1903.36	1489.38	413.98	67507.96
02/01/16	81	1903.36	1498.31	405.05	66009.65
03/01/16	82	1903.36	1507.30	396.06	64502.35
04/01/16	83	1903.36	1516.35	387.01	62986.00
05/01/16	84	1903.36	1525.44	377.92	61460.56
06/01/16	85	1903.36	1534.60	368.76	59925.96
07/01/16	86	1903.36	1543.80	359.56	58382.16
08/01/16	87	1903.36	1553.07	350.29	56829.09
09/01/16	88	1903.36	1562.39	340.97	55266.70
10/01/16	89	1903.36	1571.76	331.60	53694.94
11/01/16	90	1903.36	1581.19	322.17	52113.75

12/01/16	91	1903.36	1590.68	312.68	50523.07
01/01/17	92	1903.36	1600.22	303.14	48922.85
02/01/17	93	1903.36	1609.82	293.54	47313.03
03/01/17	94	1903.36	1619.48	283.88	45693.55
04/01/17	95	1903.36	1629.20	274.16	44064.35
05/01/17	96	1903.36	1638.97	264.39	42425.38
06/01/17	97	1903.36	1648.81	254.55	40776.57
07/01/17	98	1903.36	1658.70	244.66	39117.87
08/01/17	99	1903.36	1668.65	234.71	37449.22
09/01/17	100	1903.36	1678.66	224.70	35770.56
10/01/17	101	1903.36	1688.74	214.62	34081.82
11/01/17	102	1903.36	1698.87	204.49	32382.95
12/01/17	103	1903.36	1709.06	194.30	30673.89
01/01/18	104	1903.36	1719.32	184.04	28954.57
02/01/18	105	1903.36	1729.63	173.73	27224.94
03/01/18	106	1903.36	1740.01	163.35	25484.93
04/01/18	107	1903.36	1750.45	152.91	23734.48
05/01/18	108	1903.36	1760.95	142.41	21973.53
06/01/18	109	1903.36	1771.52	131.84	20202.01
07/01/18	110	1903.36	1782.15	121.21	18419.86
08/01/18	111	1903.36	1792.84	110.52	16627.02
09/01/18	112	1903.36	1803.60	99.76	14823.42
10/01/18	113	1903.36	1814.42	88.94	13009.00
11/01/18	114	1903.36	1825.31	78.05	11183.69
12/01/18	115	1903.36	1836.26	67.10	9347.43
01/01/19	116	1903.36	1847.28	56.08	7500.15
02/01/19	117	1903.36	1858.36	45.00	5641.79
03/01/19	118	1903.36	1869.51	33.85	3772.28
04/01/19	119	1903.36	1880.73	22.63	1891.55
05/01/19	120	1902.90	1891.55	11.35	0.00

(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 2009 A Bonds shall be sold to the Original Purchaser thereof 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"). All subsequent series of the Bonds shall be sold to the original purchaser thereof pursuant to the terms and conditions of a loan agreement, and the Issuer shall execute such documents as may be necessary to secure repayment of such Bonds and as may be otherwise agreed upon by the Issuer and such original purchaser. 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. The Issuer shall approve the execution and delivery by the President and the Secretary of all documentation that may be necessary in connection with the issuance of additional series of the Bonds by Supplemental Resolution.

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);
- (2) Series 2005 A Bonds Fund;
- (3) Bonds Fund; and
- (4) Bonds Construction Trust 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) Bonds Reserve Account (only in the event the O&M Agreement is terminated);

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) So long as the O&M Agreement is in effect, the Company shall be responsible for paying all Operating Expenses. In the event the O&M Agreement is terminated, the Issuer shall first, each month, pay from the Revenue Fund all 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 sinking funds for the Prior First Lien Bonds and the Prior Notes the amounts required by the Prior Resolutions; (ii) on the first day of each month, transfer from the Revenue Fund and remit to the Paying Agent for deposit in the

Series 2005 A Bonds Fund, the amount required to pay the principal of and interest on the Series 2005 A Bonds; and (iii) on the first day of each month, transfer from the Revenue Fund and remit to the Paying Agent for Deposit in the Bonds Fund, the amount required to pay the interest on the Bonds and to amortize the principal of such Bonds over the term thereof.

(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 reserve accounts for the Prior First Lien Bonds and the Series 2005 A Bonds, the amounts required by the Prior Resolutions, and (ii) the Commission, commencing 3 months after the completion of construction of the Project, as certified by the Consulting Engineers, if not fully funded upon issuance of the Bonds, for deposit in the Bonds Reserve Account, an amount equal to 1/120th of the Bonds Reserve Requirement, until the amount in the Bonds Reserve Account equals the Bonds Reserve Requirement; provided that, no further payments shall be made into the Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the 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 Bonds Fund shall be used only for the purposes of paying principal and interest on the Bonds as the same shall become due. If required by the Registered Owner at any time, the Issuer shall make the necessary arrangements whereby required payments on the Bonds shall be automatically deducted from the Bonds Fund and transferred to the Paying Agent on the dates required hereunder. The monies in the Bonds Fund shall constitute trust funds and shall be used only for the purposes provided herein, and until so used, the Registered Owner shall have a lien thereon for further securing payment of the Bonds and the interest thereon.

Monies in the Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the 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 Bonds Reserve Account shall constitute trust funds and shall be used only for the purposes provided herein, and until so used, the Registered Owner shall have a lien thereon for further securing payment of the Bonds and the interest thereon. Any withdrawals from the Bonds Reserve Account which result

in a reduction in the balance of the Bonds Reserve Account to below the 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 First Lien Bonds, the Prior Notes, the Series 2005 A Bonds and the Bonds and all required payments have been made into the sinking funds and reserve accounts for the Prior First Lien Bonds.

All investment earnings on monies in the Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and, during construction of the Project, shall be deposited into the Bonds Construction Trust Fund and applied to the costs of acquisition, construction and equipping of the Project, and following completion of construction, such funds shall be deposited into the Bonds Fund and applied to the payment of interest on or principal of the Bonds.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective sinking 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 Bonds Reserve Account created hereunder, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

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

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

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

C. 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 2009 A Facilities.

D. 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 Registered 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.

E. 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.

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

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

B. From the proceeds of the Bonds the sum set forth in the Supplemental Resolution shall be paid for the costs of issuance of such Bonds.

C. From the proceeds of the Bonds, there shall be deposited with the Depository Bank in the Capitalized Interest Fund, the amount, if any, set forth in the Supplemental Resolution for paying capitalized interest on the Bonds.

D. The remaining proceeds of the Bonds shall be deposited with the Depository Bank in the Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Bonds.

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

Section 6.02. Disbursements From the Bonds Construction Trust Fund. Payments for costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Bonds Construction Trust Fund (except for the costs of issuance of the Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer, stating:

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

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a cost of the Project;

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bonds Construction Trust Fund.

Pending such application, moneys in the Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Bonds Construction Trust Fund to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter apply such moneys in full, first to the next ensuing interest payments due on the Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 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 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 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 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 First Lien Bonds and the Prior Notes, and on a parity as to lien on and source of and security for payment with the Series 2005 A Bonds. Such Surplus Revenues and Surcharges in an amount sufficient to pay the principal of and interest on and other payments for the 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 services and facilities of the System shall be those rates approved by the Public Service Commission of West Virginia, in the Commission Order entered on January 11, 2000, in Case No. 99-0674-PWD-PC-CN, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the Series 2009 A Facilities. Except as otherwise permitted by State law or with the written consent of the Registered Owner, the Series 2009 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 2009 A Facilities shall, with respect to the Bonds, immediately be remitted to the Paying Agent to be applied to the payment of principal of and interest on the Bonds. Any balance remaining after the payment of all the 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 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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 Bonds, without the prior written consent of the Registered Owner. All obligations issued by the Issuer after the issuance of the 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 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 Bonds, and the interest thereon, upon the Revenues or Surcharges, or upon the Series 2009 A Facilities or any part thereof.

The Issuer shall give the Registered Owner prior written notice of its issuance of any other obligations to be used for the Series 2009 A Facilities, payable from the Revenues or Surcharges or from any grants, or any other obligations related to the Project or the Series 2009 A Facilities.

Section 7.07. Additional Parity Bonds. So long as the Prior First Lien Bonds, the Series 2005 A Bonds and the Prior Notes are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no additional Parity Bonds payable out of the Revenues or Surcharges of the System, shall be issued after the issuance of the Bonds pursuant to this Ordinance, without the prior written consent of the Registered Owner and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Resolutions).

All Parity Bonds issued hereafter shall be on a parity in all respects with the Bonds.

No Parity Bonds shall be issued except for the purposes of financing the costs of design, acquisition and construction of additions, betterments or improvements to the System or refunding the Bonds, the First Lien Bonds, the Series 2005 A Bonds or the Prior Notes.

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

- (1) The Prior First Lien Bonds, the Series 2005 A Bonds, the Prior Notes and the Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

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

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

All the covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System, and their source of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

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

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

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 Registered Owner, or its agents and representatives, to inspect all books, documents, papers and records relating to the Series 2009 A Facilities at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Registered Owner such documents and information as it may reasonably require in connection with the Project, the operation and maintenance of the Series 2009 A Facilities and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Registered Owner, or its agents and representatives, to inspect all records pertaining to the operation and maintenance of the Series 2009 A Facilities at all reasonable times.

The Issuer will keep, or cause to be kept, books and records of the Series 2009 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 2009 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 2009 A Facilities and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the Series 2009 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. 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 Registered Owner of the Bonds and shall mail in each year to any Holder or Holders of the 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 which are Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the Series 2009 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 Bonds and shall submit said report to the Original Purchaser, or any other original purchaser of the 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 Registered Owner, or its agents and representatives, with access to the Series 2009 A Facilities as may be reasonably necessary to accomplish all of the powers and rights of the Registered Owner with respect to the Series 2009 A Facilities pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the Series 2009 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 2009 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 2009 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 2009 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 2009 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 2009 A Facilities, to all users of the services of the Series 2009 A Facilities delinquent in payment of charges for the services of the Series 2009 A Facilities and will not restore such services until all delinquent charges for the services of the Series 2009 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 2009 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 2009 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 2009 A Facilities, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the Series 2009 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 2009 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 2009 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 Registered Owner 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 2009 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 2009 A Facilities.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such

bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the county in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the Series 2009 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 2009 A Facilities, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Original Purchaser, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

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 2009 A Facilities to connect thereto.

Section 7.17. Completion of Project; Permits and Orders. The Issuer shall complete, or cause to be completed, the Project as promptly as possible and operate and maintain, or cause to be operated and maintained under the O&M Agreement, the System in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make all necessary repairs and replacements so long as the 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 this covenant.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System.

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 2009 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. Bonds Reserve Account. On the Closing Date, the Issuer shall deposit an amount equal to one year's debt service into the 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 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 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 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 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 2009 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 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 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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 2009 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 any series of the 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 such series of the Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Any series of 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 of the Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. Any series of 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 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 of 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 series of 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 Bonds, this Ordinance may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the 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 Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, any Supplemental Resolution thereto, or the 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 Ordinance 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 Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the 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. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Issuer to contain sufficient information as to give

notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Charleston Gazette, a newspaper of general circulation in Kanawha County, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Issuer upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Issuer for review by interested persons during office hours of the Issuer. At such hearing, all objections and suggestions shall be heard and the Issuer shall take such action as it shall deem proper in the premises.

Section 11.08. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Passed on First Reading: - March 19, 2009

Passed on Final Reading
Following Public
Hearing: - April 16, 2009



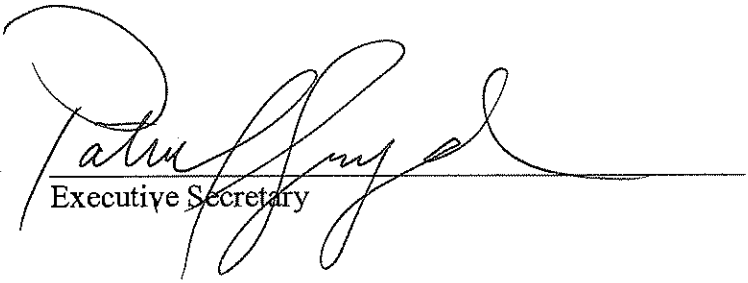
President

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION following a public hearing thereon at meetings of the Authority duly called and held on March 19, 2009 and April 16, 2009 a quorum being present and acting throughout such meetings.

Dated: April 16, 2009.

[SEAL]


Executive Secretary

919120.00313

Supplemental Resolution

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

Waterworks Revenue Bonds, Series 2009 A
(Taxable)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATERWORKS REVENUE BONDS, SERIES 2009 A (TAXABLE) OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA (METROPOLITAN REGION); DESCRIBING THE PROJECT TO BE FINANCED WITH THE PROCEEDS OF THE BONDS; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO JPMORGAN CHASE BANK, NA; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Board of Directors (the "Board") of the Regional Development Authority of Charleston-Kanawha County, West Virginia (Metropolitan Region) (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective April 16, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA (METROPOLITAN REGION) AND THE PERMANENT FINANCING OF THE COSTS THEREOF THROUGH THE ISSUANCE BY THE ISSUER OF NOT MORE THAN \$1,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS REVENUE BONDS, IN ONE OR MORE

SERIES AS MAY BE NECESSARY FROM TIME TO TIME; 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, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance when used herein;

WHEREAS, the Bond Ordinance provides for the issuance of the Waterworks Revenue Bonds of the Issuer, in one or more series as may be necessary from time to time, in an aggregate principal amount not to exceed \$1,200,000 (the "Bonds") for the purpose of financing the costs of additions, betterments and improvements to the existing public waterworks system of the Issuer (the "System");

WHEREAS, the Bond Ordinance has authorized the execution and delivery of a loan agreement relating to the Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer and JPMorgan Chase Bank, NA (the "Original Purchaser"), the original purchaser of the initial series of the Bonds (the "Series 2009 A Bonds"), all in accordance with Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the form of the Security Agreement by and between the Issuer and the Original Purchaser (the "Security Agreement") and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2009 A Bonds should be established by a supplemental resolution pertaining to the Series 2009 A Bonds; and that other matters relating to the Series 2009 A Bonds be herein provided for;

WHEREAS, the Loan Agreement and Security Agreement have been presented to the Issuer at this meeting;

WHEREAS, the Series 2009 A Bonds are proposed to be purchased by the Original Purchaser pursuant to the terms of the Loan Agreement and the Bond Ordinance;

WHEREAS, the Board of the Issuer deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the project description be set forth and described, that the Loan Agreement and Security Agreement be approved and

ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for; and

WHEREAS, the project to be financed with the proceeds of the Series 2009 A Bonds shall consist of waterworks system improvements for the projects known as (1) Upper Fisher's Branch/Guthrie Water project (approximately 78 users) and (2) Upper Frame Project-Phase II (172 users), together with all necessary appurtenances and related improvements (the "Project");

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA (METROPOLITAN REGION):

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks Revenue Bonds, Series 2009 A (Taxable), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of \$162,000. The Series 2009 A Bonds shall be dated the date of delivery thereof and shall finally mature May 1, 2019. The Series 2009 A Bonds shall bear interest, be payable as to principal and interest, and be subject to prepayment and early redemption as follows:

(A) The Series 2009 A 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 7.2 % per annum.

(B) Principal of and interest on the Series 2009 A Bond are payable by check or draft of JPMorgan Chase Bank, NA (the "Paying Agent") mailed to the Registered Owner thereof at the address as it appears on the books of JPMorgan Chase Bank, NA, Charleston, West Virginia, as registrar (the "Registrar"). As indicated in the Debt Service Schedule attached to the Series 2009 Bond as EXHIBIT B, on the 1st day of each month for a period of 119 months, commencing June 1, 2009, and continuing to and including April 1, 2019, monthly installments of principal and interest in the amount of \$1,903.36 shall be paid to the Registered Owner. The Issuer shall make a final payment on May 1, 2019 in an amount equal to the then outstanding principal balance plus accrued interest thereon.

(C) If the Issuer prepays all or any part of the principal balance of the Series 2009 A Bonds, then the Issuer shall pay to the Registered Owner a prepayment premium ("Premium") equal to the Prepaid Principal multiplied by the Premium Percentage. The term

"Premium Percentage" shall mean five percent (5%) beginning on the date of the Series 2009 A Bonds and ending on (and including) the first anniversary date of the Series 2009 A Bonds; four percent (4%) beginning on the day after the first anniversary date of the Series 2009 A Bonds and ending on (and including) the second anniversary date of the Series 2009 A Bonds; three percent (3%) beginning on the day after the second anniversary date of the Series 2009 A Bonds and ending on (and including) the third anniversary date of the Series 2009 A Bonds; two percent (2%) beginning on the day after the third anniversary date of the Series 2009 A Bonds and ending on (and including) the fourth anniversary date of the Series 2009 A Bonds; one percent (1%) beginning on the day after the fourth anniversary date of the Series 2009 A Bonds and ending on (and including) the fifth anniversary date of the Series 2009 A Bonds; and zero percent (0%) beginning on the day after the fifth anniversary date of the Series 2009 A Bonds and thereafter. The term "Prepaid Principal" shall mean the principal being prepaid on the Prepayment Date. The term "Prepayment Date" shall mean the date the prepayment is tendered. Notwithstanding anything herein to the contrary, a Premium shall not be due on any partial prepayment until the total of all partial prepayments paid during the calendar year (in which the partial prepayment is being tendered) has exceeded the following: (a) for Series 2009 A Bonds with an original principal amount of \$500,000.00 or less, \$25,000.00, (b) for Series 2009 A Bonds with an original principal amount of more than \$500,000.00 up to \$2,000,000.00, 5% of the original principal amount of the Series 2009 A Bonds and (b) for Series 2009 A Bonds with an original principal amount of more than \$2,000,000.00, \$100,000.00. All partial prepayments shall be applied in such order and manner as the Registered Owner may from time to time determine in its sole discretion. A Premium shall be due whether a prepayment is made voluntarily or, where allowed by applicable law, made involuntarily as a result of the acceleration of maturity upon a default or otherwise. Failure by the Registered Owner to collect or demand a Premium at the time of prepayment shall not be deemed a waiver of the Registered Owner's right to such Premium or to any future premium.

Section 2. All other provisions relating to the Series 2009 A Bonds and the text of each of the Series 2009 A Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The project to be financed with the proceeds of the Series 2009 A Bonds shall consist of waterworks system improvements for the projects known as (1) Upper Fisher's Branch/Guthrie Water project (approximately 78 users) and (2) Upper Frame Project-Phase II (172 users), together with all necessary appurtenances and related improvements (the "Project").

Section 4. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement and the Security Agreement, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreement and the Security Agreement by the President, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and the Security Agreement and in the application to the Original Purchaser. The price of the Series 2009 A Bonds shall be 100% of par value, there being no interest accrued thereon. All of the proceeds of the Series 2009 A Bonds shall be advanced at closing.

Section 5. The Issuer does hereby appoint and designate JPMorgan Chase Bank, NA, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2009 A Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as depository for the Bonds Reserve Account under the Bond Ordinance.

Section 7. The Issuer does hereby appoint and designate JPMorgan Chase Bank, NA, Charleston, West Virginia, to serve as Depository Bank for the Revenue Fund, Bonds Fund, and Bonds Construction Trust Fund under the Bond Ordinance.

Section 8. Series 2009 A Bonds proceeds in the amount of \$22,949.52 shall be deposited in the Bonds Reserve Account at closing.

Section 9. Series 2009 A Bonds proceeds in the amount of \$0 shall be deposited in the Capitalized Interest Account at closing.

Section 10. Series 2009 A Bonds proceeds in the amount of \$7,500 shall be applied to costs of issuance of the Series 2009 A Bonds at closing.

Section 11. The balance of the proceeds of the Series 2009 A Bonds shall be deposited in or credited to the Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2009 A Bonds and related costs.

Section 12. The President and the Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2009 A Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2009 A Bonds may be delivered on or about April 16, 2009, to the Original Purchaser.

Section 13. The acquisition and construction of the Project and the financing thereof with proceeds of the Series 2009 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 15. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Bonds Reserve Account for the Series 2009 A Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 16th day of April, 2009.



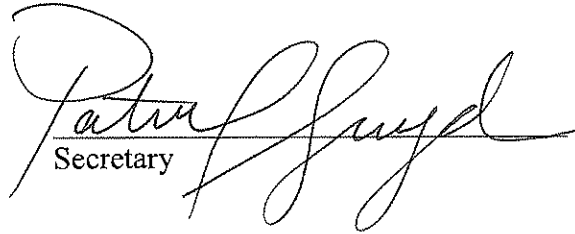
President

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board of the Regional Development Authority of Charleston-Kanawha County, West Virginia (Metropolitan Region) on the 16th day of April, 2009.

Dated: April 16, 2009.

[SEAL]


Secretary

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement"), made and entered into as of the 16th day of April, 2009, by and between the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, a public corporation and regional development authority 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 Bond Ordinance duly enacted by the Issuer on April 16, 2009 (the "Ordinance").

W I T N E S S E T H:

WHEREAS, the Issuer has made application to the Lender for a \$162,000 term loan (the "Loan"), the proceeds of which shall be used to finance the costs of additions and betterments to the public waterworks system of the Issuer, consisting of the construction of a variety of waterline extensions throughout Kanawha County, West Virginia (the "County"), together with improvements to the system and all appurtenant facilities (collectively, the "Project");

WHEREAS, the Issuer's loan application has been approved by the Lender, upon terms and conditions agreed to by the Issuer and Lender, which terms and conditions are more particularly hereinafter set forth in this Loan Agreement (the "Loan Agreement"), the Bond Ordinance enacted by the Issuer on April 16, 2009 (the "Bond Ordinance"), and in the Issuer's Waterworks Revenue Bonds, Series 2009 A (Taxable), dated the date hereof, the issuance of which are authorized by the Bond Ordinance and which evidence the indebtedness approved and described in this Loan Agreement (the "Series 2009 A Bonds");

WHEREAS, as collateral for the Loan, the Issuer will grant the Lender a lien upon the Surplus Revenues and Surcharges of the waterworks system of the Issuer (the "System"), which lien shall be junior and subordinate to the lien upon such Surplus Revenues and Surcharges created in favor of the holders of the following outstanding obligations of the Issuer: (i) 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 (the "Series 2000 A Bonds"), and (ii) 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 collectively with the Series 2000 A Bonds, the "Prior First Lien Bonds"), and (iii) Water Revenue Notes, Series 1999 A, issued in the original aggregate principal amount of \$7,000,000 (the "Prior Notes");

WHEREAS, the Series 2009 A Bonds shall be issued on a parity with respect to lien on, source of and security for payment with the Issuer's outstanding Waterworks Revenue Bonds, Series 2005 A (Taxable), dated June 28, 2005, issued in the original aggregate principal amount of \$260,000 (the "Series 2005 A Bonds");

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

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

1. Financing

(a) Subject to the terms and conditions hereof, the Lender hereby agrees to loan to Issuer the sum of \$162,000 for a term extending from the date hereof until May 1, 2019, unless otherwise extended by Lender in its sole discretion.

(b) The Loan shall be used to finance the costs of the design, acquisition, construction and equipping of the Project, to pay capitalized interest on the Series 2009 A Bonds, if any, to fund the Bonds Reserve Fund, and to pay costs of issuance of the Series 2009 A Bonds.

(c) Beginning on the date hereof and continuing thereafter until the Loan is paid in full, the Loan shall bear simple interest at a rate per annum equal to 7.2 %. The annual interest rate for the Loan shall be computed on a 30/360 basis; that is, with the exception of odd days interest in the first payment period, monthly interest is calculated by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by a month of 30 days. Interest for the odd days is calculated on the basis of the actual days to the next full month and a 360 day year.

(d) As indicated in the Debt Service Schedule attached hereto as EXHIBIT A, on the 1st day of each month for a period of 119 months, commencing June 1, 2009, and continuing to and including April 1, 2019, monthly installments of principal and interest in the amount of \$1,903.36 shall be paid on the Loan to the Lender. The Issuer shall make a final payment on May 1, 2019 in an amount equal to the then outstanding principal balance plus accrued interest thereon.

(e) If the Issuer prepays all or any part of the principal balance of the Loan, then the Issuer shall pay to the Lender a prepayment premium ("Premium") equal to the Prepaid Principal multiplied by the Premium Percentage. The term "Premium Percentage" shall mean five percent (5%) beginning on the date of the Loan and ending on (and including) the first anniversary date of the Loan; four percent (4%) beginning on the day after the first anniversary date of the Loan and ending on (and including) the second anniversary date of the Loan; three percent (3%) beginning on the day after the second anniversary date of the Loan and ending on (and including) the third anniversary date of the Loan; two percent (2%) beginning on the day after the third anniversary date of the Loan and ending on (and including) the fourth anniversary date of the Loan; one percent (1%) beginning on the day after the fourth anniversary date of the Loan and ending on (and including) the fifth anniversary date of the Loan; and zero percent (0%) beginning on the day after the fifth anniversary date of the Loan and thereafter. The term "Prepaid Principal" shall mean the principal being prepaid on the Prepayment Date. The term "Prepayment Date" shall mean the date the prepayment is tendered. Notwithstanding anything

herein to the contrary, a Premium shall not be due on any partial prepayment until the total of all partial prepayments paid during the calendar year (in which the partial prepayment is being tendered) has exceeded the following: (a) for a Loan with an original principal amount of \$500,000.00 or less, \$25,000.00, (b) for a Loan with an original principal amount of more than \$500,000.00 up to \$2,000,000.00, 5% of the original principal amount of the Loan and (b) for a Loan with an original principal amount of more than \$2,000,000.00, \$100,000.00. All partial prepayments shall be applied in such order and manner as the Lender may from time to time determine in its sole discretion. A Premium shall be due whether a prepayment is made voluntarily or, where allowed by applicable law, made involuntarily as a result of the acceleration of maturity upon a default or otherwise. Failure by the Lender to collect or demand a Premium at the time of prepayment shall not be deemed a waiver of the Lender's right to such Premium or to any future premium.

(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 2009 A (Taxable) (the "Series 2009 A Bonds") of the Issuer, dated the date hereof, and issued in the original aggregate principal amount of \$162,000, 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) The 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 First Lien Bonds of the Issuer, and which lien shall be on a parity as to source of and security for payment to the lien thereon in favor of the Issuer's outstanding Series 2005 A Bonds, pursuant to a Security Agreement of even date herewith (the "Security Agreement"); and

(b) The 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 (the "County Commission") creating the Issuer; (ii) a copy of the minutes of the Issuer's organizational meeting for calendar year 2009; (iii) a copy of the minutes of the meetings of the County Commission 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 a certified copy of the Ordinance approving the issuance of the Bonds by the Issuer, the execution, delivery and performance of the Security Agreement and this Loan Agreement and all transactions and documentation contemplated herein, duly enacted by the Issuer, together with a certificate of the Secretary of Issuer stating that such Ordinance is true and correct as of the date hereof.

(c) Issuer shall have executed and delivered this Loan Agreement, the Security Agreement, the Bonds, 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 Ordinance, 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, the Bylaws of Issuer 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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 the Prior First Lien Bonds, and such lien shall be on a parity with the lien thereon in favor of the Series 2005 A Bonds.

(k) 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, the Issuer shall:

(a) Promptly inform the Lender 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.

(j) 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.

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

(l) 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.

(m) 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.

(n) 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 Ordinance, the Issuer covenants and agrees that while any part of the Loan is outstanding, the Issuer shall not:

(a) Except as created in connection with the Issuer's Prior Notes, Prior First Lien Bonds, or Series 2005 A 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 Ordinance.

(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 the Issuer 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 % 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) THE 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 BOND 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 BOND 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 Series 2009 A Bonds are 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 Ordinance 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 Ordinance and does not and is not intended to supercede the Ordinance. To the extent that any provision of this Agreement conflicts with any provision of the Ordinance, the provisions of the Ordinance 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: 

Its: President

JPMORGAN CHASE BANK, NA

By: 

Its: SR VICE PRESIDENT

EXHIBIT A
DEBT SERVICE SCHEDULE
(Attached Hereto)

PRECOMP / SIMPLE

AMOUNT FINANCED 162000.00 REPAYMENT TYPE 1

DUE DATE 06 01 09 INTEREST RATE 7.200 APR 7.200

ADV DATE 04 16 09 NO PAYMENTS 120 PTS/SVC CHG 0.00

ENTER PAYMENT NUMBER 013

PYMT DATE	PYMT NO	PAYMENT AMT	PRINCIPAL	INTEREST	BALANCE
06/01/09	1	1903.36	445.36	1458.00	161554.64
07/01/09	2	1903.36	934.03	969.33	160620.61
08/01/09	3	1903.36	939.64	963.72	159680.97
09/01/09	4	1903.36	945.27	958.09	158735.70
10/01/09	5	1903.36	950.95	952.41	157784.75
11/01/09	6	1903.36	956.65	946.71	156828.10
12/01/09	7	1903.36	962.39	940.97	155865.71
01/01/10	8	1903.36	968.17	935.19	154897.54
02/01/10	9	1903.36	973.97	929.39	153923.57
03/01/10	10	1903.36	979.82	923.54	152943.75
04/01/10	11	1903.36	985.70	917.66	151958.05
05/01/10	12	1903.36	991.61	911.75	150966.44
06/01/10	13	1903.36	997.56	905.80	149968.88
07/01/10	14	1903.36	1003.55	899.81	148965.33
08/01/10	15	1903.36	1009.57	893.79	147955.76
09/01/10	16	1903.36	1015.63	887.73	146940.13
10/01/10	17	1903.36	1021.72	881.64	145918.41
11/01/10	18	1903.36	1027.85	875.51	144890.56
12/01/10	19	1903.36	1034.02	869.34	143856.54
01/01/11	20	1903.36	1040.22	863.14	142816.32
02/01/11	21	1903.36	1046.46	856.90	141769.86
03/01/11	22	1903.36	1052.74	850.62	140717.12
04/01/11	23	1903.36	1059.06	844.30	139658.06
05/01/11	24	1903.36	1065.41	837.95	138592.65
06/01/11	25	1903.36	1071.80	831.56	137520.85
07/01/11	26	1903.36	1078.23	825.13	136442.62
08/01/11	27	1903.36	1084.70	818.66	135357.92
09/01/11	28	1903.36	1091.21	812.15	134266.71
10/01/11	29	1903.36	1097.76	805.60	133168.95
11/01/11	30	1903.36	1104.35	799.01	132064.60
12/01/11	31	1903.36	1110.97	792.39	130953.63
01/01/12	32	1903.36	1117.64	785.72	129835.99
02/01/12	33	1903.36	1124.34	779.02	128711.65
03/01/12	34	1903.36	1131.09	772.27	127580.56
04/01/12	35	1903.36	1137.88	765.48	126442.68
05/01/12	36	1903.36	1144.70	758.66	125297.98
06/01/12	37	1903.36	1151.57	751.79	124146.41
07/01/12	38	1903.36	1158.48	744.88	122987.93
08/01/12	39	1903.36	1165.43	737.93	121822.50
09/01/12	40	1903.36	1172.43	730.93	120650.07
10/01/12	41	1903.36	1179.46	723.90	119470.61
11/01/12	42	1903.36	1186.54	716.82	118284.07

12/01/12	43	1903.36	1193.66	709.70	117090.41
01/01/13	44	1903.36	1200.82	702.54	115889.59
02/01/13	45	1903.36	1208.02	695.34	114681.57
03/01/13	46	1903.36	1215.27	688.09	113466.30
04/01/13	47	1903.36	1222.56	680.80	112243.74
05/01/13	48	1903.36	1229.90	673.46	111013.84
06/01/13	49	1903.36	1237.28	666.08	109776.56
07/01/13	50	1903.36	1244.70	658.66	108531.86
08/01/13	51	1903.36	1252.17	651.19	107279.69
09/01/13	52	1903.36	1259.68	643.68	106020.01
10/01/13	53	1903.36	1267.24	636.12	104752.77
11/01/13	54	1903.36	1274.84	628.52	103477.93
12/01/13	55	1903.36	1282.49	620.87	102195.44
01/01/14	56	1903.36	1290.19	613.17	100905.25
02/01/14	57	1903.36	1297.93	605.43	99607.32
03/01/14	58	1903.36	1305.72	597.64	98301.60
04/01/14	59	1903.36	1313.55	589.81	96988.05
05/01/14	60	1903.36	1321.43	581.93	95666.62
06/01/14	61	1903.36	1329.36	574.00	94337.26
07/01/14	62	1903.36	1337.34	566.02	92999.92
08/01/14	63	1903.36	1345.36	558.00	91654.56
09/01/14	64	1903.36	1353.43	549.93	90301.13
10/01/14	65	1903.36	1361.55	541.81	88939.58
11/01/14	66	1903.36	1369.72	533.64	87569.86
12/01/14	67	1903.36	1377.94	525.42	86191.92
01/01/15	68	1903.36	1386.21	517.15	84805.71
02/01/15	69	1903.36	1394.53	508.83	83411.18
03/01/15	70	1903.36	1402.89	500.47	82008.29
04/01/15	71	1903.36	1411.31	492.05	80596.98
05/01/15	72	1903.36	1419.78	483.58	79177.20
06/01/15	73	1903.36	1428.30	475.06	77748.90
07/01/15	74	1903.36	1436.87	466.49	76312.03
08/01/15	75	1903.36	1445.49	457.87	74866.54
09/01/15	76	1903.36	1454.16	449.20	73412.38
10/01/15	77	1903.36	1462.89	440.47	71949.49
11/01/15	78	1903.36	1471.66	431.70	70477.83
12/01/15	79	1903.36	1480.49	422.87	68997.34
01/01/16	80	1903.36	1489.38	413.98	67507.96
02/01/16	81	1903.36	1498.31	405.05	66009.65
03/01/16	82	1903.36	1507.30	396.06	64502.35
04/01/16	83	1903.36	1516.35	387.01	62986.00
05/01/16	84	1903.36	1525.44	377.92	61460.56
06/01/16	85	1903.36	1534.60	368.76	59925.96
07/01/16	86	1903.36	1543.80	359.56	58382.16
08/01/16	87	1903.36	1553.07	350.29	56829.09
09/01/16	88	1903.36	1562.39	340.97	55266.70
10/01/16	89	1903.36	1571.76	331.60	53694.94
11/01/16	90	1903.36	1581.19	322.17	52113.75

12/01/16	91	1903.36	1590.68	312.68	50523.07
01/01/17	92	1903.36	1600.22	303.14	48922.85
02/01/17	93	1903.36	1609.82	293.54	47313.03
03/01/17	94	1903.36	1619.48	283.88	45693.55
04/01/17	95	1903.36	1629.20	274.16	44064.35
05/01/17	96	1903.36	1638.97	264.39	42425.38
06/01/17	97	1903.36	1648.81	254.55	40776.57
07/01/17	98	1903.36	1658.70	244.66	39117.87
08/01/17	99	1903.36	1668.65	234.71	37449.22
09/01/17	100	1903.36	1678.66	224.70	35770.56
10/01/17	101	1903.36	1688.74	214.62	34081.82
11/01/17	102	1903.36	1698.87	204.49	32382.95
12/01/17	103	1903.36	1709.06	194.30	30673.89
01/01/18	104	1903.36	1719.32	184.04	28954.57
02/01/18	105	1903.36	1729.63	173.73	27224.94
03/01/18	106	1903.36	1740.01	163.35	25484.93
04/01/18	107	1903.36	1750.45	152.91	23734.48
05/01/18	108	1903.36	1760.95	142.41	21973.53
06/01/18	109	1903.36	1771.52	131.84	20202.01
07/01/18	110	1903.36	1782.15	121.21	18419.86
08/01/18	111	1903.36	1792.84	110.52	16627.02
09/01/18	112	1903.36	1803.60	99.76	14823.42
10/01/18	113	1903.36	1814.42	88.94	13009.00
11/01/18	114	1903.36	1825.31	78.05	11183.69
12/01/18	115	1903.36	1836.26	67.10	9347.43
01/01/19	116	1903.36	1847.28	56.08	7500.15
02/01/19	117	1903.36	1858.36	45.00	5641.79
03/01/19	118	1903.36	1869.51	33.85	3772.28
04/01/19	119	1903.36	1880.73	22.63	1891.55
05/01/19	120	1902.90	1891.55	11.35	0.00

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement"), dated as of April 16, 2009, 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 of a variety of waterline extensions throughout Kanawha County, West Virginia (the "County"), together with improvements to the system and 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 Bond 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 ordinance of the Debtor adopted April 16, 2009, authorizing the Loan Agreement and the transactions contemplated therein (the "Ordinance") or which are defined in the Loan Agreement 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 Bond 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 Bond Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Bond 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) "Net Revenues" means the balance of the Revenues, remaining after deduction of Operating Expenses.

(e) "Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Series 2009 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 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.

(f) "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.

(g) "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.

(h) "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.

(i) "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 First Lien Bonds or the Prior Notes or any other obligations of the Issuer, including, without limitation, any respective sinking fund, reserve account or depreciation reserve.

(j) "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.

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 First Lien Bonds, the Series 2005 A 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 First Lien 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, the 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 of 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.

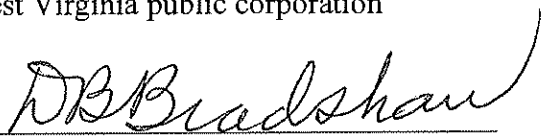
19. EXCEPT AS PROHIBITED BY LAW, THE DEBTOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER BOND DOCUMENTS OR TRANSACTIONS RELATING THERETO.

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]

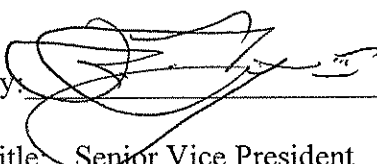
IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the day and year first above set forth.

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

By: 

Title: President

JPMORGAN CHASE BANK, NA,
a national banking association

By: 

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:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY,
WEST VIRGINIA METROPOLITAN REGION
WATERWORKS REVENUE BONDS,
SERIES 2009 A (Taxable)

No. AR-1

\$162,000

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 ONE HUNDRED SIXTY TWO THOUSAND AND 00/100 DOLLARS (\$162,000) 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 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 7.2 % per annum. Following the occurrence of an Event of Default under the Loan Agreement, the interest rate on this Bond shall increase to the default interest rate of 10.2 %.

(B) Principal of and interest on this Bond are payable by check or draft of JPMorgan Chase Bank, NA (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"). As indicated in the Debt Service Schedule attached hereto as EXHIBIT B, on the 1st day of each month for a period of 119 months, commencing June 1, 2009, and continuing to and including April 1, 2019, monthly installments of principal and interest in the amount of \$1,903.36 shall be paid to the Registered Owner. The Issuer shall make a final payment on May 1,

2019 in an amount equal to the then outstanding principal balance plus accrued interest thereon.

The annual interest rate for this Bond is computed on a 30/360 basis; that is, with the exception of odd days interest in the first payment period, monthly interest is calculated by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by a month of 30 days. Interest for the odd days is calculated on the basis of the actual days to the next full month and a 360 day year.

If the Issuer prepays all or any part of the principal balance of this Bond, then the Issuer shall pay to the Registered Owner a prepayment premium ("Premium") equal to the Prepaid Principal multiplied by the Premium Percentage. The term "Premium Percentage" shall mean five percent (5%) beginning on the date of this Bond and ending on (and including) the first anniversary date of this Bond; four percent (4%) beginning on the day after the first anniversary date of this Bond and ending on (and including) the second anniversary date of this Bond; three percent (3%) beginning on the day after the second anniversary date of this Bond and ending on (and including) the third anniversary date of this Bond; two percent (2%) beginning on the day after the third anniversary date of this Bond and ending on (and including) the fourth anniversary date of this Bond; one percent (1%) beginning on the day after the fourth anniversary date of this Bond and ending on (and including) the fifth anniversary date of this Bond; and zero percent (0%) beginning on the day after the fifth anniversary date of this Bond and thereafter. The term "Prepaid Principal" shall mean the principal being prepaid on the Prepayment Date. The term "Prepayment Date" shall mean the date the prepayment is tendered. Notwithstanding anything herein to the contrary, a Premium shall not be due on any partial prepayment until the total of all partial prepayments paid during the calendar year (in which the partial prepayment is being tendered) has exceeded the following: (a) for Bonds with an original principal amount of \$500,000.00 or less, \$25,000.00, (b) for Bonds with an original principal amount of more than \$500,000.00 up to \$2,000,000.00, 5% of the original principal amount of this Bond and (b) for Bonds with an original principal amount of more than \$2,000,000.00, \$100,000.00. All partial prepayments shall be applied in such order and manner as the Registered Owner may from time to time determine in its sole discretion. A Premium shall be due whether a prepayment is made voluntarily or, where allowed by applicable law, made involuntarily as a result of the acceleration of maturity upon a default or otherwise. Failure by the Registered Owner to collect or demand a Premium at the time of prepayment shall not be deemed a waiver of the Registered Owner's right to such Premium or to any future premium.

This Bond is issued to provide funds to finance the costs of additions and betterments to the public waterworks system of the Issuer consisting of the construction of a variety of waterline extensions throughout the County, together with improvements to the system and all appurtenant facilities (the "Project"). The Project and any further additions, betterments or improvements thereto are herein called the "Series 2009 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 Ordinance duly enacted by the Issuer on April 16, 2009 (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 FIRST LIEN 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 IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT TO THE ISSUER'S WATERWORKS REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 28, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$260,000 (THE "SERIES 2005 A BONDS").

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 First Lien Bonds and the Prior Notes, and on a parity with respect to liens, pledge and source of and security for payment with the Series 2005 A Bonds. 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 costs of the Project, the payment of capitalized interest on the Bonds, if any, funding a reserve account for the Bonds, and the payment of 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.

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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 April 16, 2009.

[SEAL]

DRB B. M. [Signature]
President

ATTEST:

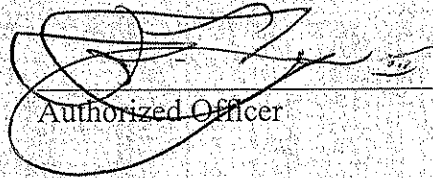
[Signature]
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: April 16, 2009.

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)	\$ 162,000	4/16/09	(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

TOTAL \$ 162,000

EXHIBIT B

DEBT SERVICE SCHEDULE

(Attached Hereto)

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:

CH756117.1



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

Writer's Contact Information

April 16, 2009

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

Waterworks Revenue Bonds, Series 2009 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 \$162,000 Waterworks Revenue Bonds, Series 2009 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 AR-1, with interest payable at the rate of 7.2 % per annum. As indicated in the Debt Service Schedule attached to the Bonds as Exhibit B, on the 1st day of each month for a period of 119 months, commencing June 1, 2009, and continuing to and including April 1, 2019, the Issuer shall pay monthly installments of principal and interest on the Bonds in the amount of \$1,903.36. The Issuer shall make a final payment on May 1, 2019 in an amount equal to the then outstanding principal balance of the Bonds plus accrued interest thereon. The Bonds are being issued pursuant to a Loan Agreement by and between the Issuer and the Purchaser, dated April 16, 2009 (the "Loan Agreement"). To secure the Bonds, a Security Agreement dated April 16, 2009, 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 Ordinance

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duly enacted by the Issuer on April 16, 2009 (the "Bond Legislation"), for the purposes of financing the costs of additions and betterments to the public waterworks system of the Issuer, consisting of the construction of a variety of waterline extensions throughout Kanawha County, West Virginia (the "County"), together with improvements to the system and all appurtenant facilities. 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 enacted by the Issuer following a public hearing thereon, 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 solely 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 Issuer's outstanding: (i) 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, (ii) 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 collectively with the Series 2000 A Bonds, the "Prior First Lien Bonds"), and (iii) Water Revenue Notes, Series 1999 A, issued in the original aggregate principal amount of \$7,000,000 (the "Prior Notes"), all in accordance with the terms of the Bonds and the Bond Legislation. The Bonds shall be issued on a parity as to lien, pledge and source of and security for payment with the Issuer's outstanding Waterworks Revenue Bonds, Series 2005 A (Taxable), dated June 28, 2005, issued in the original aggregate principal amount of \$260,000 (the "Series 2005 A Bonds").

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. The Bonds are exempt from taxes imposed by the State of West Virginia or any subdivision thereof.

7. 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.

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

Very truly yours,


STEPH E & JOHNSON PLLC



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

Writer's Contact Information

April 16, 2009

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

Waterworks Revenue Bonds, Series 2009 A
(Taxable)

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

JPMorgan Chase Bank, NA
Charleston, West Virginia

Step toe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We have served as special project counsel to the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region (the "Issuer") in connection with the issuance and delivery of the above-captioned Bonds of the Issuer (the "Bonds"). As such special project counsel, we have examined copies of a Bond Ordinance duly enacted by the Issuer on April 16, 2009 (the "Bond Legislation"), a Loan Agreement (the "Loan Agreement") dated April 16, 2009, by and between the Issuer and JPMorgan Chase Bank, NA (the "Purchaser"), a Security Agreement (the "Security Agreement") dated April 16, 2009, by and between the Issuer and the Purchaser, the Bonds and other documents relating thereto. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of West Virginia as a county development authority and public corporation of the State of West Virginia, with corporate power under Chapter 7, Article 12 of the West Virginia Code of 1931, as amended (the "Act").

2. The members of the board and the officers of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are

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authorized to act on behalf of the Issuer in their respective capacities.

3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Purchaser, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

4. The Security Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Purchaser, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

5. The Bond Legislation has been duly enacted by the Issuer and is in full force and effect, has not been amended since the date of enactment thereof, and no further action of the Issuer is required for its continued validity.

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

7. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Legislation, the Loan Agreement and the Security Agreement, the construction and acquisition of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the revenues and surcharges therefore.

8. It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds and the Bond Legislation are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,


STEPHENS & JOHNSON PLLC

General Certificate of Issuer

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

Waterworks Revenue Bonds, Series 2009 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 \$162,000 principal amount of the Issuer's Waterworks Revenue Bonds, Series 2009 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 Ordinance of the Issuer duly enacted on April 16, 2009 (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 2009 A Facilities, the receipt of the Revenues or Surcharges, 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 2009 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 2009 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 Commission Order of the Public Service Commission of West Virginia (the "Public Service Commission") entered on March 15, 2007, in Case No. 06-1858-W-CN-PC and the Commission Order of the Public Service Commission entered on October 1, 2007, in Case No. 07-1205-W-CN-PC, 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 Orders has expired without appeal.

4. INDEBTEDNESS: Other than the Prior Notes, the Prior First Lien Bonds and the Series 2005 A 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 Ordinance

Supplemental Resolution

Public Service Commission Orders

County Commission Order Creating Issuer

County Commission Orders Appointing Current Members of Issuer

Oaths of Office of Current Members of Issuer

Minutes of Organizational Meeting of Issuer

Bylaws of Issuer

Minutes on Adoption of Bond Ordinance

Certificates of Insurance

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 a 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 Armstrong	06/30/2011
Charles Blair, II	12/31/2010
Damron Bradshaw	12/31/2010
Dick Calloway	12/31/2010
Rusty Casto	06/30/2011
Larry Conley	12/31/2010
Essie Ford, Jr.	12/31/2010
Dan Holloran	12/31/2010
James Hudnall	12/31/2010
Frank Mullens	12/31/2010
Bob Ore	12/31/2010
Bill Pauley	06/30/2011
Mike Reed	12/31/2010
Mike Clowser	06/30/2010
W. Kent Carper	12/31/2012
K.E. Poodle Thomas	12/31/2010
Jack Yeager	06/30/2009
James Higgins	12/31/2010
Ann Neese	06/30/2009

The names of the duly elected and/or appointed, qualified and acting officers of the Issuer for calendar year 2009 are as follows:

President	-	Damron Bradshaw
Vice President	-	Larry Conley
Treasurer	-	Billy L. Pauley
Executive Secretary	-	Patrick Snider

The duly appointed and acting special project counsel to the Issuer is Steptoe & Johnson PLLC, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the Series 2009 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, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the Series 2009 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 2009 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 \$162,000 (100% of par value), there being no interest accrued thereon. The undersigned President did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, numbered AR-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 \$162,000, 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 2009 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.

WITNESS our signatures and the official seal of the REGIONAL DEVELOPMENT
AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA
METROPOLITAN REGION on this 16th day of April, 2009.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

DK Bradshaw

President

Patricia J. Gandy

Executive Secretary

Stephen R. Miller, LLC

Counsel to the Issuer

WV MUNICIPAL BOND COMMISSION

1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORMDate of Report: 16-Apr-09

ISSUE: Regional Development Authority of Charleston- Kanawha County, West Virginia Metropolitan Region
Waterworks Revenue Bonds, Series 2009 A (Taxable)

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

PURPOSE OF ISSUE:

New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: N/AISSUE DATE: 4/16/2009CLOSING DATE: 4/16/2009ISSUE AMOUNT: \$162,000RATE: 7.20%1ST DEBT SERVICE DUE: 6/1/20091ST PRINCIPAL DUE 6/1/2009

1ST DEBT SERVICE AMOUNT \$1,903.36
Monthly Payments of \$1,903.36 begin 6/1/09

PAYING AGENT: JPMorgan Chase Bank, NA**BOND COUNSEL:**

Firm: Step toe & Johnson PLLC
Contact John C. Stump, Esquire
Phone: 304. 353.8196

UNDERWRITERS COUNSEL

Firm: N/A
Contact:
Phone:

CLOSING BANK:

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

ESCROW TRUSTEE:

Firm: N/A
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT

Contact: Damron Bradshaw
Position: President
Phone: 304.357.0570

OTHER:

Agency: N/A
Contact:
Position:
Phone:

DEPOSITS TO MBC AT CLOSE

By:	<u> </u> Wire	Accrued Interest:	\$ <u> </u>
	<u>X</u> Check	Capitalized Interest:	\$ <u> </u>
		<u>X</u> Reserve Account:	\$ <u>\$22,949.52</u>
		Other:	\$ <u> </u>

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:	<u> </u> Wire	To Escrow Trustee	\$ <u> </u>
	<u> </u> Check	To Issuer	\$ <u> </u>
	<u> </u> IGT	To Cons. Invest. Fund	\$ <u> </u>
		To Other:	\$ <u> </u>

NOTES: The Issuer will fully fund the Bonds Reserve Account at Closing

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

THIS 2000 A OPERATION AND MAINTENANCE AGREEMENT ("2000 A O&M Agreement") is made as of January 1st, 2000, by and between WEST VIRGINIA-AMERICAN WATER COMPANY, a West Virginia corporation (the "Company") and REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION, a public corporation ("KCRDA").

WITNESSETH:

WHEREAS, the Company, The County Commission of Kanawha County ("County Commission"), and KCRDA have agreed to enter into a public/private water utility project (the "Kanawha County Project") for the construction of certain water utility assets by KCRDA and by Company to provide water service to various areas of Kanawha County, West Virginia; and

WHEREAS, as a part of the Kanawha County Project, KCRDA proposes to construct certain water facilities within Kanawha County, to be comprised of facilities to be operated and maintained pursuant to this 2000 A O&M Agreement ("Use Fee Facilities") and certain other facilities to be operated and maintained pursuant to the 2000 B Operation and Maintenance Agreement ("2000 B O&M Agreement") by and among the Company, KCRDA and the County Commission of even date herewith and leased by the KCRDA to the County Commission ("County Leased Facilities," and together with the Use Fee Facilities, the "KCRDA Facilities"); and

WHEREAS, after completion of the Kanawha County Project, all as more fully described herein and in the Application ("Joint Application") by Company, KCRDA and County Commission filed with the Public Service Commission of West Virginia ("Commission"),

KCRDA will construct and own the KCRDA Facilities to provide water service to its customers in Kanawha County, West Virginia, and the Company will construct and own certain facilities to provide water service to its customers (the "Company Facilities"); and

WHEREAS, the KCRDA Facilities to be constructed and owned by KCRDA, including the Use Fee Facilities and the County Leased Facilities, are generally shown and described on the series of maps incorporated by reference herein collectively as Appendix A; and

WHEREAS, Company currently provides the supply of potable water to substantial areas of Kanawha County from Company's Kanawha Valley Treatment Plant and transmission and distribution system; and

WHEREAS, Company, through its existing water transmission and distribution facilities in Kanawha County or through the Company Facilities to be constructed by Company, at its cost, as a part of the Kanawha County Project, will be in a position to serve citizens of Kanawha County from Company Facilities or KCRDA Facilities; and

WHEREAS, Company has offered to enter into this 2000 A O&M Agreement and to undertake the operation, maintenance, repair and replacement of the Use Fee Facilities and to supply the estimated water needs of the customers to be served from the Use Fee Facilities in Kanawha County; and

WHEREAS, KCRDA believes it is in the best interests of the residents of Kanawha County for Company to operate, maintain, repair and replace the Use Fee Facilities

and to provide water service to the residents of Kanawha County served by the Kanawha County Project as provided in this 2000 A O&M Agreement; and

WHEREAS, KCRDA wants Company to provide potable water directly to the customers to be served by the Use Fee Facilities ("Use Fee Customers") and to provide assistance in the operation, maintenance, repair and replacement of the Use Fee Facilities; and

WHEREAS, all new customers to be served from either the KCRDA Facilities or from the Company Facilities constructed as a part of the Kanawha County Project (all of such new customers being hereinafter referred to as "Project Customers") will be required to pay a surcharge (the "Surcharge") of ten dollars (\$10.00) per month for ten (10) years; and

WHEREAS, all capitalized words not otherwise defined herein shall have the meanings ascribed to them in the Revised Master Operation and Maintenance Agreement by and between the Company and KCRDA of even date herewith.

NOW, THEREFORE, for and in consideration of the premises, which are hereby made an integral part of this 2000 A O&M Agreement and which are not to be construed as mere recitals, the covenants and agreements contained herein and other good and valuable considerations, the receipt and sufficiency of all of which are hereby acknowledged, the Company and KCRDA agree:

I. CONSTRUCTION OF FACILITIES.

After the conditions precedent described in Section XII have been satisfied, KCRDA and Company shall proceed promptly and diligently to construct the following facilities at an estimated total cost of \$18.086 million:

A. KCRDA Facilities. KCRDA shall, at its sole cost and expense, purchase, install and own the KCRDA Facilities generally listed on Exhibit 1 to the Joint Application. The KCRDA Facilities to be constructed by KCRDA will be constructed at a total estimated cost of approximately \$13.826 million (\$8.705 million for the Use Fee Facilities and \$5.121 million for the County Leased Facilities) from the proceeds of one or more series of bonds to be issued by KCRDA and other available funds, based on the Use Fee of \$606,990 to be paid by Company, amounts collected from the Surcharges, and other rentals under the Lease.

B. Company Facilities to be Acquired or Constructed. Company shall design, purchase, install, and own the Company Facilities listed in Exhibit 1 to the Joint Application, including service lines and meter settings for those customers to be served from the KCRDA Facilities. The KCRDA Facilities and the Company Facilities will be constructed at the locations indicated on the more detailed maps of the Company Facilities and KCRDA Facilities attached to and incorporated as Exhibit 12 to the Joint Application. The Company Facilities to be constructed by Company as part of the Kanawha County Project will be constructed at a total estimated cost of approximately \$4.260 million, an amount calculated based on the estimated number of 1,699 new customers to be served from the Kanawha County Project and \$352,834 in additional investment by the Company.

II. SUPPLY OF WATER TO USE FEE CUSTOMERS.

A. Quality and Quantity of Water. The Use Fee Customers shall remain customers of KCRDA, and upon the construction of the Use Fee Facilities, Company agrees

to provide to the Use Fee Customers, subject to the terms, conditions, undertakings, agreements and limitations provided in this 2000 A O&M Agreement, the total water requirements of the Use Fee Customers, said water delivered to the Use Fee Customers to be of the same quality as that supplied to Company's customers in Company's Kanawha Valley District. Company will be paid for the water supplied to the Use Fee Customers in the manner set forth in Section V of this 2000 A O&M Agreement at the rates of Company from time to time established pursuant to Chapter 24 of the West Virginia Code, as amended.

B. Monitoring of Water Quality. Company shall monitor the water quality and be responsible for compliance with all state and federal standards for furnishing water to the public.

C. Possible Water Shortage. In the event of an extended shortage of water, or if the supply of water from Company is otherwise diminished or impaired, Company will attempt to assure that the supply of water to the Prior Facilities Customers served from Company's Kanawha Valley Treatment Plant is reduced or diminished in approximately the same proportion as the supply of the water to other customers of Company's Kanawha Valley District is reduced or diminished. Any notification given to Company's Kanawha Valley District customers of any anticipated shortage of water shall also be given to the Prior Facilities Customers.

III. TERM OF 2000 A O&M AGREEMENT.

The term of this 2000 A O&M Agreement shall extend for forty (40) years from the date hereof and thereafter may continue in effect from year to year by mutual consent of

the parties; provided, however, that Company and KCRDA may agree mutually to terminate this 2000 A O&M Agreement at any time after (i) the payment to the owners of the 2000 A Bonds of the principal thereof, and redemption premium, if applicable, interest and administrative fee due or to become due on the debt incurred by KCRDA with respect to the Use Fee Facilities (the "2000 A Bonds"), and (ii) the payment of any amounts as required under Section VIII of this 2000 A O&M Agreement.

IV. FUTURE ADDITIONS TO AND FUTURE EXTENSION OF USE FEE FACILITIES.

Company and KCRDA are aware that there may be written requests by KCRDA for future additional use of water by Use Fee Customers and that there may be future approved KCRDA additions and extensions made to Use Fee Facilities. In addition to the other requirements set forth in this 2000 A O&M Agreement, KCRDA and Company hereby specifically agree that such additional use, additions and extensions will be made only if, in the opinion of Company, Company's Kanawha Valley Treatment Plant has sufficient treatment capacity and transmission, distribution and pumping facilities, including KCRDA Facilities and Company's transmission and distribution mains, adequate to serve Project Customers, and if Company believes it is otherwise economically feasible to meet the total then present and anticipated needs of both the Project Customers and the other customers of Company's Kanawha Valley District. Further, KCRDA and Company agree as follows:

A. Future Additions. All future additions to the Use Fee Facilities constructed by KCRDA shall be subject to this 2000 A O&M Agreement; provided, however,

that future additions to the system must be approved by the County Commission, Company and KCRDA.

B. Future Extension. Customer extensions from the Use Fee Facilities and within KCRDA boundary lines may be installed by either KCRDA or Company. When KCRDA receives a request for a Customer extension, KCRDA shall notify Company in writing within fifteen (15) days of its receipt of said request whether it will install the extension or desires Company to make the extension.

(1) In the event KCRDA desires Company to install and own the customer extension, (i) Company shall contract on its own behalf with the customer requesting the extension and make the installation pursuant to the Rules and Regulations of the Public Service Commission, (ii) all customers attaching to the extension shall be considered Use Fee Customers for billing purposes at the rates of KCRDA, and (iii) the customer extension shall be, without further cost or expense of any kind, the property of Company.

(2) In the event KCRDA elects to install and own the extension, the construction for that customer extension by KCRDA will be contracted to a contractor acceptable to Company, and all plans and specifications for that extension shall be submitted to and approved by Company before becoming a part of the Use Fee Facilities and being subject to this 2000 A O&M Agreement. When that extension is contracted to a contractor acceptable to Company, Company, on behalf of and as agent for KCRDA, will contract directly with such contractor to provide the extension. Any extension deposits taken by Company on behalf of and as agent for KCRDA pursuant to the Rules and Regulations of the Public Service

Commission will be retained by Company and credited against the cost of the extension, and the balance of the deposit above the cost of the extension, if any, will be returned to the contracting customer. Company, on behalf of and as agent for KCRDA, will make refunds to the contracting customers for the extensions pursuant to the Rules and Regulations of the Public Service Commission based on the rates of Company, using funds advanced to Company by KCRDA (to the extent such advances are legally permissible).

(3) Refunds made pursuant to the Rules and Regulations of the Public Service Commission to customers contracting directly with Company pursuant to the preceding subdivision of this subsection shall be the sole responsibility of Company, and the cost of such extensions, to the extent refunded or reimbursed to customers pursuant to such Rules and Regulations, shall be properly includable in Company's depreciable utility plant in calculating Company's cost of service and resulting rates.

C. Surcharges Applicable. Customers served from future additions or future extensions to Use Fee Facilities that are not otherwise connected to Company facilities shall be subject to the Surcharges provided in this 2000 A O&M Agreement.

V. OPERATION AND MAINTENANCE OF USE FEE FACILITIES BY COMPANY: COMPANY AS AGENT.

A. Company to Operate. Company hereby agrees to operate, maintain, repair and replace (i) Use Fee Facilities, and (ii) all water lines added thereto as additions and extensions with the written approval of the County Commission, Company and KCRDA. Notwithstanding the foregoing, Company shall not be under any obligation to maintain, repair

or replace at its expense, any condition, defect or malfunction arising from the installation of future additions or future extensions to the Use Fee Facilities which fail to meet the standards of Company, if such discrepancy in design or installation is reported in writing by Company to KCRDA within fifteen (15) days of discovery.

B. Replacement of Unit of Property. In the event that it becomes necessary to relocate, replace, maintain or repair any condition, defect or malfunction arising from faulty installation of any future additions or extensions for which notice as hereinabove set forth has been given to KCRDA by Company, such replacement, relocation, maintenance or repair will be made by a contractor approved by Company or by Company upon notification by KCRDA using funds advanced by Company for which Company shall be reimbursed upon termination of this 2000 A O&M Agreement under the procedures set forth in Section VIII hereof.

C. Ownership of Units of Property. In the event Company, under the terms of this 2000 A O&M Agreement, is required to install, relocate or replace any "unit of property" within the Use Fee Facilities as defined in the Uniform System of Accounts of the National Association of Regulatory Utility Commissioners ("NARUC"), Company shall make such installation, relocation or replacement at its cost; provided, however, that in every such instance the unit of property shall be, and shall remain, the property of Company (unless purchased by KCRDA from Company after termination of this 2000 A O&M Agreement as provided in Section VIII hereof), subject to any deed of trust executed to secure the 2000 A Bonds, and shall be properly includable in the depreciable utility plant of Company in calculating its cost of service and resulting rates.

D. Related Easements. KCRDA agrees that, in those instances in which Company installs, replaces or relocates any unit of property on the Use Fee Facilities pursuant to the provisions of subsection C of this Section, KCRDA will, simultaneously therewith, convey to Company, subject to any deed of trust executed to secure the 2000 A Bonds, all related rights of way, easements, licenses or other property interests necessary for Company to have and own such unit of property in the location and manner in which it is installed, replaced or relocated on the Use Fee Facilities.

E. Company Appointed As Agent. The Company is hereby appointed as the agent for KCRDA to design, construct and install the Use Fee Facilities in accordance with good utility construction standards, and the Company shall have the right to enter into such contracts with third parties as it deems necessary or desirable to effectuate such design, construction and installation without further act or deed of KCRDA.

VI. READING METERS, BILLING OF CUSTOMERS AND PAYMENTS TO KCRDA; SURCHARGES.

A. Meter Reading. Company shall read all meters of the Use Fee Customers and render bills to the Use Fee Customers, as agent for and on behalf of KCRDA, in a manner consistent with the meter reading and billing practices of Company employed in billing its own customers; such bills to be rendered and collected by Company on behalf of KCRDA and to be computed based on the usage of each Use Fee Customer at the rates from time to time established pursuant to Chapter 24 of the West Virginia Code, as amended. It is the understanding and intent of the parties to this 2000 A O&M Agreement that, except for the

Surcharges provided in this 2000 A O&M Agreement, the rates of the KCRDA shall reflect or mirror the rates of Company.

B. Bills Delivered to Use Fee Customers. It is the intent of the Company and KCRDA under this 2000 A O&M Agreement that the bills delivered to each Use Fee Customer reflect the amount due for the water used (such amount to be determined by applying the rates of KCRDA to the consumption of water by Use Fee Customers as determined by monthly or estimated meter readings), plus any Surcharge applicable to such Use Fee Customer. Company shall be responsible for the collection of delinquent bills on behalf of KCRDA. The bills delivered to the Use Fee Customers will be delivered by, and be payable to, Company, as agent for KCRDA.

C. Payment to Company. Company, in consideration of the respective rights, duties, obligations, agreements and undertakings of the parties under this 2000 A O&M Agreement, shall be entitled to receive from KCRDA an amount for water service rendered to Use Fee Customers equal to the consumption of each individual Use Fee Customer at Company rates from time to time established pursuant to Chapter 24 of the West Virginia Code, as amended. Company shall prepare and deliver monthly statements or schedules to KCRDA which shall reflect the total amount collected by Company, as agent for KCRDA, and the total amount retained by Company for the water service provided to Use Fee Customers at the respective rates of KCRDA and Company, plus the Surcharges as provided in this 2000 A O&M Agreement. A Use Fee Customer shall be charged a municipal B & O surcharge on his usage only if that Use Fee Customer resides within a municipality which imposes such a

surcharge. In addition, the monthly statement to be provided to KCRDA and to the County Commission by Company will also include the costs of any additions or extensions, and related refunds, made at the cost of the KCRDA under Section IV, and the cost of any fire hydrants under Section IX installed at the cost of KCRDA.

D. Use Fee. In addition to the other payments to be made under this Section, Company agrees to pay KCRDA a Joint Use Line payment (the "Use Fee") for the use of the KCRDA Facilities and the Prior Facilities. The Use Fee shall be sufficient to pay the actual monthly debt service, including principal of and interest and administrative fee on the 2000 A Bonds; provided, however, Company's Use Fee shall not exceed \$606,990 annually and shall terminate when such debt and the interest thereon has been paid in full. Payment of the Use Fee shall be made directly to the West Virginia Municipal Bond Commission or its successor for the 2000 A Bonds as designated from time to time in writing by KCRDA. In the event Company fails to pay the Use Fee at the times and in the amounts set forth herein, the KCRDA shall be entitled to collect for its own account all service charges and Surcharges from Use Fee Customers as may be necessary to pay the principal of and interest on the 2000 A Bonds, or at the option of KCRDA, to require (through written notification to the Company) that the Company will collect such service charges and Surcharges from Use Fee Customers, and remit the same on a monthly basis to the KCRDA. The Company hereby acknowledges and recognizes the lien on and pledge of Surcharges, as described in the Ordinance adopted by KCRDA, pursuant to which the 2000 A Bonds shall be issued.

E. Review of Accounts. KCRDA agrees to have its accountants review, at least annually, at the expense of KCRDA, the system of accounts maintained by Company for KCRDA and report the results of that review to KCRDA, Company and the County Commission.

F. Payment of KCRDA Administrative Expenses. In addition to such other obligations, duties and responsibilities set forth in this 2000 A O&M Agreement, Company agrees to pay directly to vendors the reasonable costs of the following three items on behalf of KCRDA, up to a maximum aggregate amount for all three items of \$8,000 in each calendar year during the term hereof, upon the receipt of an invoice for such costs from the vendor, which has been approved by KCRDA for payment and forwarded by KCRDA to Company:

1. Legal and Accounting Expenses
2. Liability Insurance and Bonds
3. Regulatory Commission Fees

KCRDA agrees that the annual \$8,000 payment provided under this 2000 A O&M Agreement shall be the total amount to be paid by Company to KCRDA under this 2000 A O&M Agreement between Company and KCRDA for these purposes. In the event that either Company or KCRDA determines that the maximum aggregate amount of \$8,000 is inadequate or excessive to pay the reasonable costs of the above-mentioned three items, then either party may petition the Utilities Division of the Public Service Commission to audit and review the costs incurred by KCRDA for such items and to fix the maximum aggregate amount for said items which Company will pay pursuant to this subsection.

VII. INSTALLATION OF DOMESTIC SERVICES.

After the construction of the Use Fee Facilities has been completed, Company shall install domestic service lines, including the tap on the Use Fee Facilities and the service line from the Use Fee Facilities to the established curb line or within the public right of way nearest the main in accordance with the Commission's Water Rules ("Water Rules"). This installation shall include the meter setting. All such service lines from the Use Fee Facilities to the customer's property line, meter settings and taps shall be constructed and installed by Company and shall be the property of Company. Company shall install all meters at its cost, shall own the meters, and shall assume the obligation to repair, maintain and replace the meters.

VIII. TERMINATION OF THE AGREEMENT.

A. Termination Fee. Company and KCRDA agree that the annual Use Fee to be made by Company to pay debt service on the 2000 A Bonds is in anticipation of a forty-year contractual relationship under this 2000 A O&M Agreement, and if KCRDA terminates this 2000 A O&M Agreement at any time prior to the end of the forty-year term, then KCRDA agrees to pay Company as a termination fee ("termination fee") at the time of such termination an amount equal to a portion of the contribution by Company to the cost of the Kanawha County Project on a pro rata basis based on the remaining years in the forty-year agreement, less any depreciation which Company may have recovered through its rates on such amount, such obligation shall be payable solely from the Use Fee Facilities. Further, if KCRDA terminates the 2000 A O&M Agreement prior to retirement of the 2000 A Bonds, Company

shall have no further obligation to pay any Use Fee after such termination. Notwithstanding any other provision hereof to the contrary, in the event this 2000 A O&M Agreement is terminated by KCRDA due to the failure of the Company to pay all or any portion of the Use Fee, no termination fee shall be payable by KCRDA to the Company.

B. Payment for Water Delivered At the time of termination of this 2000 A O&M Agreement, Company will be entitled to receive payment for all water delivered to Use Fee Facilities customers through the termination date in accordance with the provisions of this 2000 A O&M Agreement. All water meters installed on KCRDA's distribution system at the time of such termination will be removed by Company. KCRDA agrees that it will either replace those meters, install nipples in place of those meters or buy the meters from Company at the depreciated original cost of those meters as provided in subsection D of this Section.

C. Purchase of Units of Property Upon termination of the 2000 A O&M Agreement, KCRDA also agrees that it will purchase from Company, at the depreciated original cost of those items, all of the units of property installed, replaced or relocated by Company on the Use Fee Facilities under Section V hereof and all service lines from the Use Fee Facilities to the Use Fee Customers' property lines, meter settings and taps installed at the cost of Company and reflected on the books of Company at the time of the termination of the 2000 A O&M Agreement.

D. Method of Payment Upon termination of this 2000 A O&M Agreement, Company shall, within thirty (30) days of such termination, provide to KCRDA (i) the total cost of all such items described in subsections B and C of this Section installed at the cost of

Company and (ii) the total depreciation accrued on all of such items. KCRDA agrees that it will pay to Company the total net depreciated cost (original cost less depreciation) of such items over a three-year period with such payments to be made in thirty-six (36) equal monthly payments of principal, plus accrued interest at the "Prime Rate," as defined below, commencing forty-five (45) days after termination of this 2000 A O&M Agreement. The Prime Rate shall be the prime rate as shown in The Wall Street Journal being defined therein as the "base rate on corporate loans at large U.S. money center commercial banks" and reported as the "Prime Rate" under the heading "Money Rates," as those terms shall be from time to time changed. The Prime Rate shall change not more often than the first day of each calendar quarter, and for each calendar quarter it shall be determined on the last day of the preceding calendar quarter on which The Wall Street Journal is published with the aforesaid prime rate quotation. In the event that The Wall Street Journal ceases to publish such rates, the Prime Rate shall be the prime rate established by One Valley Bank, National Association, of Charleston, West Virginia, from time to time.

IX. INSTALLATION OF PRIVATE FIRE PROTECTION SERVICES.

Fire services, approved by KCRDA, may be installed by Company from the Use Fee Facilities, but only in accordance with the Water Rules. Fire service will be installed by Company at the expense of the applicant and will be billed by Company to the applicant and paid by the applicant directly to Company at a rate equal to the then approved Company's private protection rate.

X. INSTALLATION OF FIRE HYDRANTS.

Public fire protection facilities approved by KCRDA may be installed on the Use Fee Facilities at the request of an appropriate governmental unit, and installation shall be made pursuant to the Water Rules, provided that all such fire hydrants shall have a flow capability of at least 500 GPM at 20 psi residential pressure for a sustained period of time.

XI. WATER SERVICE FRANCHISE TERRITORIES.

A. Company Facilities. Company shall be permitted to own Company Facilities purchased by Company and to serve Company Customers served directly from those Company Facilities within the water service franchise area of KCRDA as are necessary to enjoy and fulfill its rights and obligations under this 2000 A O&M Agreement, subject to the terms and conditions set forth herein.

B. Persons Outside KCRDA's Water Service Franchise Area. Except as otherwise provided herein, all persons residing outside of KCRDA's water service franchise area, as defined above, and served, either at present or in the future, by Company, shall be considered customers of Company.

C. Company's Right to Serve After Termination. KCRDA agrees that, as a part of the consideration for this 2000 A O&M Agreement, Company shall have the right, even after termination of this 2000 A O&M Agreement, to transfer water through the Use Fee Facilities, and all future additions and future extensions thereto, and to serve customers who may be connected, directly or indirectly, to Company water mains, whether inside or outside KCRDA's service area; provided, however, in the event this 2000 A O&M Agreement is

terminated by KCRDA for the failure of the Company to pay the Use Fee, Company shall have no right to transfer water or to serve customers as provided in this subsection.

XII. CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT.

Company and KCRDA understand and agree that this 2000 A O&M Agreement, and the obligations of each of them hereunder, are expressly conditioned upon the following, each of which is a condition precedent to the validity and enforceability of this 2000 A O&M Agreement:

A. Funding. KCRDA shall have received a firm commitment for the necessary funding that may be required to construct the KCRDA Facilities; provided, however, that in the event adequate funding is not available for such purposes, the parties may agree to a curtailment or modification of the scope of the KCRDA Facilities or explore other funding options, but in no event shall KCRDA be obligated to expend funds for construction of the KCRDA Facilities in excess of the funding available to it for such purposes.

B. Rates and Surcharges. The Commission shall have approved the rates, billing arrangements and Surcharges requested by KCRDA in the Joint Application or any supplements thereto.

C. Requisite Permits. KCRDA shall have acquired all necessary permits from all applicable state and federal agencies and shall provide evidence to Company, satisfactory to counsel for Company, that it has all of the necessary rights-of-way, easements, licenses or permits necessary for the installation of the KCRDA Facilities; provided, however, that in the event that it is later discovered that KCRDA does not have a right-of-way or

easement for a portion of the KCRDA Facilities, this condition precedent shall be deemed satisfied if KCRDA acquires such right-of-way or easement, and the related right of entry, by eminent domain at no cost to Company.

D. Approval of Public Service Commission. The Commission shall have approved the form of this 2000 A O&M Agreement and all of the terms, conditions, undertakings, agreements and limitations stated herein. Specifically, and without in anyway limiting the generality of this condition, the Commission Order or Orders approving this 2000 A O&M Agreement and the transactions contemplated thereby shall:

(1) Authorize the inclusion in depreciable utility plant of Company any amounts expended by Company for the cost of installing, replacing or relocating any water lines or facilities on the Use Fee Facilities which are defined as a "unit of property," in the NARUC Uniform System of Accounts and which are relocated or replaced by Company at its cost pursuant to Section V hereof and the cost to Company to install service lines, meter settings and taps on the Use Fee Facilities pursuant to Section VIII;

(2) Authorize Company to include in depreciable utility plant an amount equal to the tax expense associated with the obligations assumed by Company under this 2000 B O&M Agreement to the extent that the undertaking by Company to operate, maintain, repair or replace the Use Fee Facilities hereunder causes such Use Fee Facilities, or any part thereof, to constitute taxable income or to otherwise generate tax expense for Company;

(3) Authorize the recognition in rate base of Company Facilities or other Company Property held by the County Commission and leased to Company under the Capital Lease, all as described in the Joint Application; and

(4) Authorize the implementation of the Surcharges and the other rates requested in the Joint Application.

E. No Adverse Conditions Attached to Commission Order. The Commission shall not have attached to its Commission Order or Orders any terms, conditions or limitations which shall adversely affect this 2000 A O&M Agreement or the economic feasibility of the Kanawha County Project between the parties insofar as taking any action or refraining from taking any action which, in the opinion of their respective counsel, might require them, or either of them, to breach any of their obligations under any Mortgage Indenture, as supplemented, or any other agreement to which either of them might be a party.

XIII. REPRESENTATIONS AND WARRANTIES.

A. KCRDA represents and warrants to Company as follows:

(1) The execution, delivery and performance of this 2000 A O&M Agreement by KCRDA has been duly authorized, and this 2000 A O&M Agreement constitutes a valid and binding obligation of KCRDA enforceable in accordance with its terms; and

(2) The execution and performance of this 2000 A O&M Agreement in accordance with its terms by KCRDA will not violate any provisions of law or violate the terms or conditions of any grants or loans made to KCRDA for construction of the Use Fee Facilities.

B. Company represents and warrants to KCRDA as follows:

(1) The execution, delivery and performance of this 2000 A O&M Agreement by Company has been duly authorized, and this 2000 A O&M Agreement constitutes a valid and binding obligation of Company enforceable in accordance with its terms; and

(2) The execution and performance of this 2000 A O&M Agreement in accordance with its terms by Company will not violate any provisions of Company's indentures.

XIV. ASSIGNABILITY:

This 2000 A O&M Agreement shall be binding upon the successors and assigns of the respective parties hereto.

XV. NOTICE.

Any notice, demand or request given hereunder shall be deemed sufficient if in writing and sent by certified mail, postal charges prepaid, to West Virginia-American Water Company, Attention: President, 1600 Pennsylvania Avenue, P. O. Box 1906, Charleston, WV 25327; and to KCRDA, addressed to the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, 409 Virginia Street, Charleston, WV 25301.

XVI. CAPTIONS.

The captions preceding the text of the sections of this 2000 A O&M Agreement are inserted solely for convenience and reference and shall not be used to construe, interpret or affect any provision of this 2000 A O&M Agreement.

XVII. GOVERNING LAW. This 2000 A O&M Agreement shall be governed by West Virginia law.

XVIII. SEVERABILITY. If any provision of this 2000 A O&M Agreement is, for any reason, determined to be invalid, illegal or unenforceable in any respect, the parties hereto shall negotiate in good faith and make such amendments, modifications or supplements of or to this 2000 A O&M Agreement, that to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected in this 2000 A O&M Agreement, and the other provisions of this 2000 A O&M Agreement shall, as so amended, modified or supplemented, or otherwise affected by such action, remain in full force and effect.

XIX. AMENDMENT. This 2000 A O&M Agreement may not be amended to change the amount of the Use Fee without the prior written consent of the insurer of (if any), and trustee for the 2000 A Bonds.

[Signature page follows]

IN WITNESS WHEREOF, West Virginia-American Water Company, a corporation, and Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, have caused this 2000 A O & M Agreement to be signed, by their proper officers thereunto duly authorized, all as of the day and year first above written.

WEST VIRGINIA-AMERICAN WATER
COMPANY

By: Michael A. Miller

Its: Vice - President

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

By: W. J. Davis

Its: President

STATE OF WEST VIRGINIA,

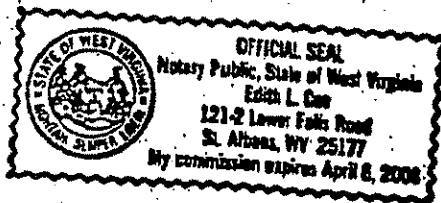
COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 27th day of

January, 2000, by Michael A. Miller, Vice-President of West Virginia-

American Water Company, a West Virginia corporation, on behalf of the corporation.

My commission expires April 6, 2008.



Edith L. Cox
Notary Public

STATE OF WEST VIRGINIA,

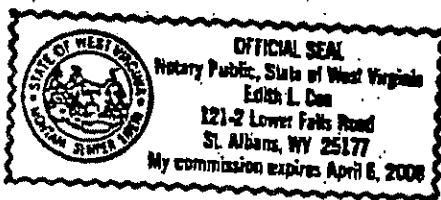
COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 27th day of

January, 2000, by Wilma T. Davis, Vice President of the

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

My commission expires April 6, 2008.



Edith L. Cox
Notary Public

Appendix A - Maps of Facilities

Attachment B
2000 B O&M Agreement

THIS 2000 B OPERATION AND MAINTENANCE AGREEMENT ("2000 B O&M Agreement") is made as of January ^{7th} 6, 2000, by and between WEST VIRGINIA-AMERICAN WATER COMPANY, a West Virginia corporation (the "Company"), REGIONAL DEVELOPMENT AUTHORITY OF CHARLESTON-KANAWHA COUNTY, WEST VIRGINIA METROPOLITAN REGION, a public corporation ("KCRDA") and THE COUNTY COMMISSION OF KANAWHA COUNTY, WEST VIRGINIA (the "County Commission").

WITNESSETH:

WHEREAS, Company, County Commission and KCRDA have agreed to enter into a public/private water utility project (the "Kanawha County Project") for the construction of certain water utility assets by KCRDA and by Company to provide water service to various areas of Kanawha County, West Virginia; and

WHEREAS, as a part of the Kanawha County Project, KCRDA proposes to construct certain water facilities within Kanawha County, to be comprised of certain facilities to be operated and maintained pursuant to this 2000 B O&M Agreement ("County Leased Facilities") and leased by the KCRDA to the County Commission pursuant to an Agreement of Lease of even date herewith (the "Lease") and certain other facilities to be operated and maintained pursuant to the 2000 A Operation and Maintenance Agreement ("2000 B O&M Agreement") by and between the Company and KCRDA of even date herewith ("Use Fee Facilities," and together with the County Leased Facilities, the "KCRDA Facilities"); and

WHEREAS, after completion of the Kanawha County Project, all as more fully described herein and in the Application ("Joint Application") by Company, KCRDA and County Commission filed with the Public Service Commission of West Virginia ("Commission"),

KCRDA will construct and own the KCRDA Facilities to provide water service to its customers in Kanawha County, West Virginia, and the Company will construct and own certain facilities to provide water service to its customers (the "Company Facilities"); and

WHEREAS, the KCRDA Facilities to be constructed and owned by KCRDA, including the Use Fee Facilities and the County Leased Facilities, are generally shown and described on the series of maps incorporated by reference herein collectively as Appendix A; and

WHEREAS, Company currently provides the supply of potable water to substantial areas of Kanawha County from Company's Kanawha Valley Treatment Plant and transmission and distribution system; and

WHEREAS, Company, through its existing water transmission and distribution facilities in Kanawha County or through the Company Facilities to be constructed by Company, at its cost, as a part of the Kanawha County Project, will be in a position to serve citizens of Kanawha County from Company Facilities or KCRDA Facilities; and

WHEREAS, Company has offered to enter into this 2000 B O&M Agreement and to undertake the operation, maintenance, repair and replacement of the County Leased Facilities and to supply the estimated water needs of the customers to be served from the County Leased Facilities in Kanawha County; and

WHEREAS, KCRDA and the County Commission believe that it is in the best interests of the residents of Kanawha County for Company to operate, maintain, repair and replace the County Leased Facilities and to provide water service to the residents of Kanawha

County served by the Kanawha County Project as provided in this 2000 B O&M Agreement;

and

WHEREAS, KCRDA wants Company to provide potable water directly to the customers to be served by the County Leased Facilities ("Leased Facilities Customers") and to provide assistance in the operation, maintenance, repair and replacement of the County Leased Facilities; and

WHEREAS, all new customers to be served from either the KCRDA Facilities or from the Company Facilities constructed as a part of the Kanawha County Project (all of such new customers being hereinafter referred to as "Project Customers") will be required to pay a surcharge (the "Surcharge") of ten dollars (\$10.00) per month for ten (10) years; and

WHEREAS, all capitalized words not otherwise defined herein shall have the meanings ascribed to them in the Revised Master Operation and Maintenance Agreement by and between the Company and KCRDA of even date herewith;

NOW, THEREFORE, for and in consideration of the premises, which are hereby made an integral part of this 2000 B O&M Agreement and which are not to be construed as mere recitals, the covenants and agreements contained herein and other good and valuable considerations, the receipt and sufficiency of all of which are hereby acknowledged, the County Commission, the Company and KCRDA agree:

I. CONSTRUCTION OF FACILITIES.

Surcharge and the balance, if any, shall be applied to the amount due for water service from Company or KCRDA.

(3) Surcharges shall be subject to all provisions of the Water Rules and Company and KCRDA's tariffs applicable to payments for water service, including terminations for nonpayment thereof. Company shall employ all reasonable means at its disposal consistent with its general business practices to induce the prompt payment of Surcharges for Project Customers. Except as expressly set forth in this 2000 B O&M Agreement, Company shall treat the Project Customers as required by the Commission's Water Rules ("Water Rules") and the tariffs filed with the Commission.

B. KCRDA Responsibilities.

(1) KCRDA shall indemnify and hold Company harmless from and against any and all costs, liabilities or expenses, including reasonable attorney's fees, arising from, in connection with, or related to suits, actions or proceedings related to this 2000 B O&M Agreement or the erroneous collection or failure to bill Surcharges as a result of a good faith mistake on the part of Company.

(2) All obligations of KCRDA hereunder may be satisfied only from its interest in the County Leased Facilities.

C. Adjustment and Termination of Surcharge.

(1) Until such time as Surcharges have been collected by Company and remitted to the County Commission for the time required by this 2000 B O&M Agreement, all Project Customers and all other applicants for service directly connecting to the Kanawha

County Project or any extensions or additions to the Kanawha County Project as provided in Section IV hereof shall be assessed the Surcharges as provided in this Section.

(2) Surcharges to Project Customers shall terminate at the end of ten years.

VIII. INSTALLATION OF DOMESTIC SERVICES.

After the construction of the County Leased Facilities has been completed, Company shall install domestic service lines, including the tap on the County Leased Facilities and the service line from the County Leased Facilities to the established curb line or within the public right of way nearest the main in accordance with the Water Rules. This installation shall include the meter setting. All such service lines from the County Leased Facilities to the customer's property line; meter settings and taps shall be constructed and installed by Company and shall be the property of Company. Company shall install all meters at its cost, shall own the meters, and shall assume the obligation to repair, maintain and replace the meters.

IX. TERMINATION OF THE AGREEMENT.

A. Payment for Water Delivered At the time of termination of this 2000

A O&M Agreement, Company will be entitled to receive payment for all water delivered to Leased Facilities Customers through the termination date in accordance with the provisions of this 2000 A O&M Agreement. All water meters installed on KCRDA's distribution system at the time of such termination will be removed by Company. KCRDA agrees that it will either replace those meters, install nipples in place of those meters or buy the meters from Company at the depreciated original cost of those meters as provided in subsection C of this Section.

B. Purchase of Units of Property. Upon termination of the 2000 B O&M Agreement, KCRDA also agrees that it will purchase from Company, at the depreciated original cost of those items, all of the units of property installed, replaced or relocated by Company on the County Leased Facilities under Section V hereof and all service lines from the County Leased Facilities to the Leased Facilities Customers' property lines, meter settings and taps installed at the cost of Company and reflected on the books of Company at the time of the termination of the 2000 B O&M Agreement.

C. Method of Payment. Upon termination of this 2000 B O&M Agreement, Company shall, within thirty (30) days of such termination, provide to KCRDA (i) the total cost of all such items described in subsections A and B of this Section installed at the cost of Company and (ii) the total depreciation accrued on all of such items. KCRDA agrees that it will pay to Company the total net depreciated cost (original cost less depreciation) of such items over a three-year period with such payments to be made in thirty-six (36) equal monthly payments of principal, plus accrued interest at the "Prime Rate," as defined below, commencing forty-five (45) days after termination of this 2000 B O&M Agreement. The Prime Rate shall be the prime rate as shown in The Wall Street Journal being defined therein as the "base rate on corporate loans at large U.S. money center commercial banks" and reported as the "Prime Rate" under the heading "Money Rates," as those terms shall be from time to time changed. The Prime Rate shall change not more often than the first day of each calendar quarter, and for each calendar quarter it shall be determined on the last day of the preceding calendar quarter on which The Wall Street Journal is published with the aforesaid prime rate quotation. In the

event that The Wall Street Journal ceases to publish such rates, the Prime Rate shall be the prime rate established by One Valley Bank, National Association, of Charleston, West Virginia, from time to time.

X. INSTALLATION OF PRIVATE FIRE PROTECTION SERVICES.

Fire services, approved by KCRDA, may be installed by Company from the County Leased Facilities, but only in accordance with the Water Rules. Fire service will be installed by Company at the expense of the applicant and will be billed by Company to the applicant and paid by the applicant directly to Company at a rate equal to the then approved Company's private protection rate.

XI. INSTALLATION OF FIRE HYDRANTS.

Public fire protection facilities approved by KCRDA may be installed on the County Leased Facilities at the request of an appropriate governmental unit, and installation shall be made pursuant to the Water Rules, provided that all such fire hydrants shall have a flow capability of at least 500 GPM at 20 psi residential pressure for a sustained period of time.

XII. WATER SERVICE FRANCHISE TERRITORIES.

A. Company Facilities. Company shall be permitted to own Company Facilities purchased by Company and to serve Company Customers served directly from those Company Facilities within the water service franchise area of KCRDA as are necessary to enjoy and fulfill its rights and obligations under this 2000 B O&M Agreement, subject to the terms and conditions set forth herein.

B. Persons Outside KCRDA's Water Service Franchise Area. Except as otherwise provided herein, all persons residing outside of KCRDA's water service franchise area, as defined above, and served, either at present or in the future, by Company, shall be considered customers of Company.

C. Company's Right to Serve After Termination. KCRDA agrees that, as a part of the consideration for this 2000 B O&M Agreement, Company shall have the right, even after termination of this 2000 B O&M Agreement, to transfer water through the County Leased Facilities, and all future additions and future extensions thereto, and to serve customers who may be connected, directly or indirectly, to Company water mains, whether inside or outside KCRDA's service area.

XIII. CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT.

Company, the County Commission and KCRDA understand and agree that this 2000 B O&M Agreement, and the obligations of each of them hereunder, are expressly conditioned upon the following, each of which is a condition precedent to the validity and enforceability of this 2000 B O&M Agreement:

A. Funding. KCRDA shall have received a firm commitment for the necessary funding that may be required to construct the KCRDA Facilities; provided, however, that in the event adequate funding is not available for such purposes, the parties may agree to a curtailment or modification of the scope of the KCRDA Facilities or explore other funding options, but in no event shall KCRDA be obligated to expend funds for construction of the KCRDA Facilities in excess of the funding available to it for such purposes.

B. Rates and Surcharges. The Commission shall have approved the rates, billing arrangements and Surcharges requested by KCRDA in the Joint Application or any supplements thereto.

C. Requisite Permits. KCRDA shall have acquired all necessary permits from all applicable state and federal agencies and shall provide evidence to Company, satisfactory to counsel for Company, that it has all of the necessary rights-of-way, easements, licenses or permits necessary for the installation of the KCRDA Facilities; provided, however, that in the event that it is later discovered that KCRDA does not have a right-of-way or easement for a portion of the KCRDA Facilities, this condition precedent shall be deemed satisfied if KCRDA acquires such right-of-way or easement, and the related right of entry, by eminent domain at no cost to Company.

D. Approval of Public Service Commission. The Commission shall have approved the form of this 2000 B O&M Agreement and all of the terms, conditions, undertakings, agreements and limitations stated herein. Specifically, and without in anyway limiting the generality of this condition, the Commission Order or Orders approving this 2000 B O&M Agreement and the transactions contemplated thereby shall:

- (1) Authorize the inclusion in depreciable utility plant of Company any amounts expended by Company for the cost of installing, replacing or relocating any water lines or facilities on the County Leased Facilities which are defined as a "unit of property," in the NARUC Uniform System of Accounts and which are relocated or replaced by Company

at its cost pursuant to Section V hereof and the cost to Company to install service lines, meter settings and taps on the County Leased Facilities pursuant to Section VIII;

(2) Authorize Company to include in depreciable utility plant an amount equal to the tax expense associated with the obligations assumed by Company under this 2000 B O&M Agreement to the extent that the undertaking by Company to operate, maintain, repair or replace the County Leased Facilities hereunder causes such County Leased Facilities, or any part thereof, to constitute taxable income or to otherwise generate tax expense for Company;

(3) Authorize the recognition in rate base of Company Facilities or other Company Property held by the County Commission and leased to Company under the Capital Lease, all as described in the Joint Application; and

(4) Authorize the implementation of the Surcharges and the other rates requested in the Joint Application.

E. No Adverse Conditions Attached to Commission Order. The Public shall not have attached to its Commission Order or Orders any terms, conditions or limitations which shall adversely affect this 2000 A O&M Agreement or the economic feasibility of the Kanawha County Project between the parties insofar as taking any action or refraining from taking any action which, in the opinion of their respective counsel, might require them, or either of them, to breach any of their obligations under any Mortgage Indenture, as supplemented, or any other agreement to which either of them might be a party.

XIV. REPRESENTATIONS AND WARRANTIES.

A. KCRDA and the County Commission represent and warrant to Company as follows:

(1) The execution, delivery and performance of this 2000 B O&M Agreement by KCRDA and the County Commission have been duly authorized, and this 2000 B O&M Agreement constitutes a valid and binding obligation of KCRDA and the County Commission enforceable in accordance with its terms; and

(2) The execution and performance of this 2000 B O&M Agreement in accordance with its terms by KCRDA and the County Commission will not violate any provisions of law or violate the terms or conditions of any grants or loans made to KCRDA for construction of the County Leased Facilities.

B. Company represents and warrants to KCRDA and the County Commission as follows:

(1) The execution, delivery and performance of this 2000 B O&M Agreement by Company has been duly authorized, and this 2000 B O&M Agreement constitutes a valid and binding obligation of Company enforceable in accordance with its terms; and

(2) The execution and performance of this 2000 B O&M Agreement in accordance with its terms by Company will not violate any provisions of Company's indentures.

XV. ASSIGNABILITY.

This 2000 B O&M Agreement shall be binding upon the successors and assigns of the respective parties hereto.

XVI. NOTICE.

Any notice, demand or request given hereunder shall be deemed sufficient if in writing and sent by certified mail, postal charges prepaid, to West Virginia-American Water Company, Attention: President, 1600 Pennsylvania Avenue, P. O. Box 1906, Charleston, WV 25327; to KCRDA, addressed to the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, 409 Virginia Street, Charleston, WV 25301, and to the County Commission, addressed to Kanawha County Commission, Post Office Box 3627 Charleston, West Virginia 25336, or to such address as the parties shall indicate by written notice to the other parties.

XVII. CAPTIONS.

The captions preceding the text of the sections of this 2000 B O&M Agreement are inserted solely for convenience and reference and shall not be used to construe, interpret or affect any provision of this 2000 B O&M Agreement.

XVIII. GOVERNING LAW. This 2000 B O&M Agreement shall be governed by West Virginia law.

XIX. SEVERABILITY. If any provision of this 2000 B O&M Agreement is, for any reason, determined to be invalid, illegal or unenforceable in any respect, the parties hereto shall negotiate in good faith and make such amendments, modifications or supplements of or to this 2000 B O&M Agreement, that to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected in this 2000 B O&M Agreement, and the other provisions of this 2000 B O&M Agreement shall, as so amended, modified or supplemented, or otherwise affected by such action, remain in full force and effect.

IN WITNESS WHEREOF, West Virginia-American Water Company, a corporation, Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, and The County Commission of Kanawha County, have caused this 2000 B O&M Agreement to be signed, by their proper officers thereunto duly authorized, all as of the day and year first above written.

WEST VIRGINIA-AMERICAN WATER
COMPANY

By: Michael A. Miller
Its President Vice - President

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

By: W. J. Davis
Its: V. President

THE COUNTY COMMISSION OF KANAWHA
COUNTY, WEST VIRGINIA

By: _____
Its: _____

IN WITNESS WHEREOF, West Virginia-American Water Company, a corporation, Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region, and The County Commission of Kanawha County, have caused this 2000 B O&M Agreement to be signed, by their proper officers thereunto duly authorized, all as of the day and year first above written.

WEST VIRGINIA-AMERICAN WATER
COMPANY

By: _____
Its President

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

By: _____
Its: _____

THE COUNTY COMMISSION OF
KANAWHA COUNTY, WEST VIRGINIA

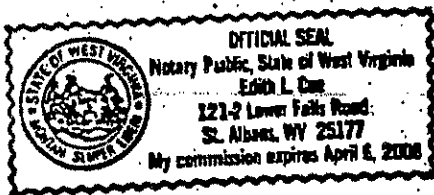
By: 1 Sept 2000
Its: President

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 27th day of January, 2000, by Michael A. Miller Vice President of West Virginia-American Water Company, a West Virginia corporation, on behalf of the corporation.

My commission expires April 6, 2008.



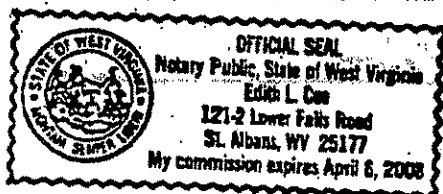
Edith L. Cox
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 27th day of January, 2000, by Wilma T. Davis, Vice President of the Regional Development Authority of Charleston-Kanawha County, West Virginia Metropolitan Region.

My commission expires April 6, 2008.



Edith L. Cox
Notary Public

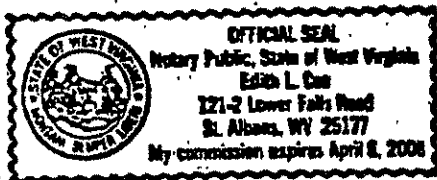
STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 20th
day of January, 2000, by Kent Carper, President
of the County Commission of Kanawha County.

My commission expires April 6, 2008

Edith L. Cox
Notary Public



Appendix A - Maps of Facilities