

TOWN OF LUMBERPORT

**ASSUMPTION OF THE
LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

AND RE-DESIGNATED AND REPLACED AS

**TOWN OF LUMBERPORT
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

CONFORMED ORDINANCE

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CONFORMED BOND ORDINANCE

TOWN OF LUMBERPORT

**ASSUMPTION OF THE
LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 1997 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

**AND
RE-DESIGNATED AND REPLACED AS**

**TOWN OF LUMBERPORT
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

ORDINANCE AUTHORIZING THE ACQUISITION OF THE LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT AND THE SEWER COLLECTION AND TREATMENT SYSTEM OF THE DISTRICT; AUTHORIZING THE ASSUMPTION, RE-DESIGNATION AND REPLACEMENT OF THE LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) BY THE TOWN OF LUMBERPORT; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE BONDHOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION, RE-DESIGNATION AND REPLACEMENT OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE ASSUMPTION OF A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and

Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Town that there be acquired from the Lumberport Area Public Service Sewer District (the "District") the existing sewer collection and treatment system of the District (collectively, the "District Assets") from the District, which District Assets constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public sewerage system of the Town, and any further additions, betterments and improvements thereto are herein called the "District System").

C. The District has heretofore financed the acquisition and construction of public sewerage facilities consisting of installation of approximately 112,000 linear feet of eight-inch, six-inch and four-inch sewer lines, approximately 381 septic tanks and a new 128,000 GPD aerated lagoon treatment plant to serve approximately 650 customers in the Town of Lumberport and the communities of Haywood and Cambria, together with all appurtenant facilities by the issuance of its Sewer Revenue Bonds, Series 1997 A, dated October 14, 1997 issued in the original aggregate principal amount of \$2,830,370 and later reduced to \$2,539,002.85 (the "District Bonds").

D. The District Bonds were issued pursuant to a Resolution of the District previously adopted for such purpose (such resolution, as amended and supplemented is herein called the "District Resolution").

E. It is deemed necessary and desirable for the Town to provide for the acquisition of the District System and the assumption and re-designation of the District Bonds.

F. The District permanently financed the acquisition of the District Assets through the issuance of the District Bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Infrastructure Fund (the "Infrastructure Fund"), which the Authority administers pursuant to the Act on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").

G. It is deemed necessary for the Town to assume the District Bonds and re-designate and replace as the Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), in the original aggregate principal amount not to exceed \$2,539,002.85 (the "Series 2011 A Bonds"), as consideration for acquisition of the District Assets.

H. The period of usefulness of the District System after assumption of the District Bonds is not less than 26 years.

I. It is in the best interests of the Town that the Series 2011 A Bonds continue to be held by the Authority pursuant to the terms and provisions of a loan agreement by and between the District and the Authority on behalf of the Council, in a form satisfactory to the respective parties (the "Loan Agreement"), which Loan Agreement will be assumed by the Town contemporaneously with the acquisition of the District Assets and the assumption of the District Bonds, and which assumption is specifically approved hereby if not previously approved by resolution of the Town.

J. Prior to the assumption of the District Bonds, the Town will obtain a certificate of an Independent Certified Public Accountant stating that the coverage tests of the Series 2011 A Bonds are met. There are no outstanding obligations of the Town which will rank on a parity with the Series 2011 A Bonds as to liens, pledge, source of and security for payment.

K. The estimated Net Revenues to be derived in each year after completion of the acquisition of the District Assets and assumption, re-designation and replacement of the District Bonds with the Series 2011 A Bonds from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of the Bonds (as hereinafter defined) and to make all payments into all funds, accounts and other payments provided for herein.

L. Pursuant to the Act, the Town has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to assume the District Bonds for the purposes set forth herein.

M. The Town has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition of the District Assets and the System and assumption and re-designation of the District Bonds, or will have so complied prior to assumption and re-designation of the District Bonds, including, among other things and without limitation, the approval of the acquisition of the District Assets and the assumption and re-designation of the District Bonds by the Public Service Commission of West Virginia.

Section I.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2011 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Town and such Bondholders, and the covenants and agreements herein set forth to be performed by the Town shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2011 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“Authority” means the West Virginia Water Development Authority, which is the original purchaser and Registered Owner of the Series 2011 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

“Authorized Officer” means the Mayor of the Town, or any other officer of the Town specifically designated by resolution of the Governing Body.

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

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

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

“Bonds” means, collectively, the Series 2011 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Town.

“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 the District Assets are transferred to the Town and the District Bonds are assumed, re-designated and replaced by the Town.

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

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

“Consulting Engineers” means any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Town as Consulting

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

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

“Depository Bank” means the bank designated as such by resolution of the Town.

“District” means the Lumberport Area Public Service Sewer District.

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

“District Bonds” means the Lumberport Area Public Service Sewer District Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), in the original aggregate principal amount of \$2,830,370 and later reduced to \$2,539,002.85.

“District Resolution” means the resolution dated October 8, 1997, as supplemented by supplemental resolution dated October 8, 1997, of the District authorizing the District Bonds.

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

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

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

“Governing Body” means the Council of the Town, as it may now or hereafter be constituted.

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

“Gross Revenues” means all rates, rents, fees, charges or other income received by the Town, or accrued to the Town, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the

operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

“Loan Agreement” means the loan agreement heretofore entered into by and between the District and the Authority, on behalf of the Council, providing for the purchase of the District Bonds from the District by the Authority, which loan agreement shall be assumed by the Town contemporaneously with the acquisition of the District Assets and the assumption of and re-designation of the District Bonds by the Town, which is hereby approved and the assumption by the Town authorized and directed.

“Mayor” means the Mayor of the Town.

“Net Proceeds” means the face amount of the Series 2011 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2011 A Bonds Reserve Account.

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

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

“Outstanding” when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled 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 Town.

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

“Paying Agent” means the Commission or such other entity or authority as may be designated as a Paying Agent by the Town in the Supplemental Resolution with the written consent of the Authority and the Council.

“Qualified Investments” means and includes the following:

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

with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

“Recorder”, means the Recorder of the Town.

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

“Registrar” means the Bond Registrar.

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

“Renewal and Replacement Fund” means the Renewal and Replacement Fund established by Section 5.01 hereof.

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

“Series 2011 A Bonds” means the Town’s Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), of the District, which is authorized by this Ordinance to be assumed and re-designated by the Town.

“Series 2011 A Bonds Reserve Account” means the Series 2011 A Bonds Reserve Account established by the District Resolution which is authorized by this Ordinance to be assumed and re-designated by the Town pursuant to Section 5.01 herein.

“Series 2011 A Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2011 A Bonds in the then current year; provided however, that as debt service

increases, the Series 2011 A Bonds Reserve Requirement shall increase to reflect the maximum amount of principal and interest, if any, in the then current year.

“Series 2011 A Bonds Sinking Fund” means the Series 2011 A Bonds Sinking Fund established by the District Resolution which is authorized by this Ordinance to be assumed and re-designated by the Town pursuant to Section 5.01 herein.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Town supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the assumption, re-designation and replacement of the District Bonds by the Series 2011 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2011 A Bonds, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Gross Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Town, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

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

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

“Town” means the Town of Lumberport, a municipal corporation and political subdivision of the State of West Virginia, in Harrison County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Town.

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

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

ARTICLE II

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

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

Section 2.02. Authorization of Assumption and Re-Designation of the District Bonds. There is hereby authorized and ordered the assumption by the Town in full of the entire outstanding principal of the District Bonds on the Closing Date. The Town also authorizes the re-designation and replacement of the District Bonds as the Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund).

ARTICLE III

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

Section 3.01. Authorization of Assumption of District Bonds. For the purposes of serving as consideration for the District Assets, the Town hereby authorizes the assumption of the District Bonds and the substitution of a new bond of the Town for the District Bonds.

The District Bonds shall be assumed as one series of bonds and re-designated as the "Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)".

Section 3.02. Terms of Bonds. The Series 2011 A Bonds shall be assumed in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as specifically provided in the Loan Agreement. The Series 2011 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America.

Unless otherwise provided by the Supplemental Resolution, the Series 2011 A Bonds shall initially be in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2011 A Bonds shall be exchangeable at the option and

expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The Series 2011 A Bonds shall be executed in the name of the Town by the Mayor, and the seal of the Town shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2011 A Bonds shall cease to be such officer of the Town before the Series 2011 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2011 A Bonds may be signed and sealed on behalf of the Town by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Town, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2011 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2011 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2011 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2011 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2011 A Bonds remain outstanding, the Town, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2011 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of

transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2011 A Bonds are exercised, all Series 2011 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2011 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2011 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Town. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2011 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2011 A Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2011 A Bonds shall become mutilated or be destroyed, stolen or lost, the Town may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Town, 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 Town may prescribe and paying such expenses as the Town and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Town. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Town 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 Town. The Series 2011 A Bonds shall not, in any event, be or constitute an indebtedness of the Town within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Town to pay the Series 2011 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2011 A Bonds shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Town shall execute and deliver as substitute the Series 2011 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2011 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2011 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Town, signed by an Authorized Officer, to authenticate and deliver the Series 2011 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2011 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2011 A Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the assumption and re-designation thereof:

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(FORM OF SERIES 2011 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF LUMBERPORT
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Replacement bond
for
Lumberport Area Public Service District
Sewer Revenue Bonds, Series 1997
(West Virginia Infrastructure Fund)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on the ____ day of December, 2011, the TOWN OF LUMBERPORT, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Town"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____, 20____ to and including September 1, 2037, as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Lumberport Area Public Service Sewer District (the "District") and the Authority, on behalf of the Council, dated October 14, 1997 and assumed by the Town on _____, 2011.

The Town has assumed the District's Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 14, 1997, issued in the original aggregate principal amount of \$2,830,370 (the "District Bonds") and the Town redesignated and replaced the District Bonds as the "Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)". The District Bonds are assumed, re-designated and

replaced under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Town on _____, 2011, and a Supplemental Resolution duly adopted by the Town on _____, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THERE ARE NO OUTSTANDING OBLIGATIONS OF THE TOWN WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the Reserve Account created or assumed under the Bond Legislation for the Series 2011 A Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Series 2011 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall the Town be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Series 2011 A Bonds. Pursuant to the Bond Legislation, the Town has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2011 A Bonds; provided however, that, so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Series 2011 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2011 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Town has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond,

together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 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: _____, 2011.

THE HUNTINGTON NATIONAL BANK
as Registrar

Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The District Bonds were sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, as assumed by the Town are hereby approved and incorporated in this Bond Legislation.

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 redesignated with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Town and from each other:

- (1) Revenue Fund (established by the District Resolution and hereby re-designated as Town of Lumberport Revenue Fund); and
- (2) Renewal and Replacement Fun (established by the District Resolution and hereby re-designated as Town of Lumberport Renewal and Replacement Fund).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby redesignated with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Town and from each other:

- (1) Series 2011 A Bonds Sinking Fund (established by the District Resolution as Series 1997 Bonds Sinking Fund and hereby assumed and renamed); and
- (2) Series 2011 A Bonds Reserve Account (established by the District Resolution as Series 1997 A Bonds Reserve Account and hereby assumed and renamed)

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

manner provided in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

- (1) The Town shall first, each month, transfer from the Revenue Fund an amount sufficient to pay the current Operating Expenses of the System.
- (2) The Town shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for payment of principal of the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2011 A Bonds on the next ensuing quarterly principal payment date.
- (3) The Town shall next each month, transfer from the Revenue Fund and remit to the Commission, if not fully funded, for deposit in the Series 2011 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2011 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2011 A Bonds Reserve Requirement.
- (4) The Town shall next each month, transfer from the Revenue Fund and remit to the Depository Bank, for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Town or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2011 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2011 A Bonds, as the same shall become due. Monies in the Series 2011 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2011 A Bonds, as the same shall come due, when other monies in the Series 2011 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Town, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2011 A Bonds, if any, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2011 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Series 2011 A Bonds Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2011 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Town shall not be required to make any further payments into the Series 2011 A Bonds Sinking Fund or the Series 2011 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2011 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Town at the times provided herein. All remittances made by the Town to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Town shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2011 A Bonds under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such

other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Town shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve payments with respect to the Series 2011 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as 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 Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

RESERVED

ARTICLE VII

ADDITIONAL COVENANTS OF THE TOWN

Section 7.01. General Covenants of the Town. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Town and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2011 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Town hereby covenants and agrees with the Holders of the Series 2011 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2011 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Town. The Series 2011 A Bonds shall not be nor constitute an indebtedness of the Town within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Town to pay the Series 2011 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2011 A Bonds issued hereunder shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Town has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Town enacted May 2, 2011, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2011 A Bonds are outstanding, the Town covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2011 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Town hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such

schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2011 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2011 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Town shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2011 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest, if any, thereon shall be remitted to the Town by the Commission unless necessary for the payment of other obligations of the Town payable out of the revenues of the System.

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

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Town shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2011 A Bonds. All obligations issued by the Town after the assumption and re-designation of the Series 2011 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2011 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Town shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2011 A Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2011 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No additional Parity Bonds, payable out of the revenues of the System, shall be issued after the assumption and re-designation of the Series 2011 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

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

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

- (1) The Bonds then Outstanding;
- (2) Any additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinance and this Bond Legislation then Outstanding; and
- (3) The additional Parity Bonds then proposed to be issued.

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

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

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

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

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

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

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Town. 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 Town. The Town 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 Town shall be reported to such agent of the Town as the Governing Body shall direct.

The Town shall file with the Authority and the Council, or any other original purchaser of the Series 2011 A Bonds and shall mail in each year to any Holder or Holders of the Series 2011 A Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

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

The Town shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and, to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2011 A Bonds and shall submit the report to the Authority and the Council or any other original purchaser of the Series 2011 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Town is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Town's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Town has acquired, or shall do all things necessary to acquire, the District System. All real estate and interests in real estate and all personal property of the System shall at all times be and remain the property of the Town.

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

Section 7.09. Rates. Prior to the assumption and re-designation of the Series 2011 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Town, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Net Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Town hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2011 A Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2011 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 A Bonds, and all other

obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2011 A Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Town shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Town shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Town shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds who shall file his or her address with the Town and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

Section 7.11. Engineering Services and Operating Personnel. The Town shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of

the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Town further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance.

A. The Town hereby covenants and agrees that so long as the Series 2011 A Bonds remain Outstanding, the Town will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

Town from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Town, 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 any construction in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Town and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Bureau for Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Bureau for Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the

Town and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

The Town will obtain all permits required by state and federal laws, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the operation of the System and all approvals of assumption, redesignation and replacement of the District Bonds with the Series 2011 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Town shall supply an opinion of counsel to such effect.

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

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

Section 7.19. [RESERVED].

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

Section 7.21. [RESERVED].

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2011 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2011 A Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission or Depository Bank shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Town, at least once each year, or more often as reasonably requested by the Town, a summary of such funds, accounts and investment earnings. The Town shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2011 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2011 A Bonds from gross income for federal income tax purposes.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2011 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2011 A Bonds; or

(2) If default occurs in the Town's observance of any of the covenants, agreements or conditions relating to the Series 2011 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2011 A Bonds, and such default shall have continued for a period of 30 days after the Town 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 Town 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 or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Town to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Town to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners.

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 Town under the Bond Legislation and the Act, and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Town, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall

have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Town upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2011 A Bonds. If the Town shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2011 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Town to the Registered Owners of the Series 2011 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2011 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to assumption and re-designation of the Series 2011 A Bonds, this Ordinance may be amended

or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2011 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2011 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2011 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2011 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Town to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2011 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2011 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2011 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Exponent Telegram*, a newspaper of general circulation in the Town of Lumberport, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Town contemplates the issuance of the Series 2011 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

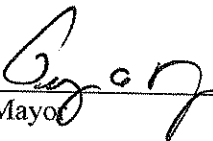
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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading: August 1, 2011

Passed on Second Reading: August 8, 2011

Passed on Final Reading
Following Public Hearing: October 3, 2011



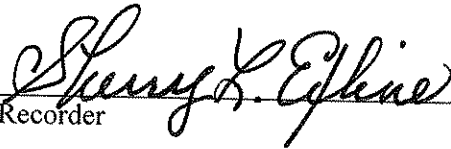
Mayor

CERTIFICATION

Certified a true copy of a Conformed Ordinance duly enacted by the Governing Body of the TOWN OF LUMBERPORT on the 3rd day of October, 2011 and supplemented by Supplemental Resolution on December 5, 2011.

Dated: December 15, 2011.

[SEAL]


Recorder

TOWN OF LUMBERPORT

Sewer Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA INFRASTRUCTURE FUND) OF THE TOWN OF LUMBERPORT; APPROVING AND RATIFYING THE ASSUMPTION OF A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE ASSUMPTION, REDESIGNATION, REPLACEMENT AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING A CONFORMED ORDINANCE; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Town council (the "Governing Body") of the Town of Lumberport (the "Town" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective October 3, 2011 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION OF THE LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT AND THE SEWER COLLECTION AND TREATMENT SYSTEM OF THE DISTRICT; AUTHORIZING THE ASSUMPTION AND RE-DESIGNATION OF THE LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT'S SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) BY THE TOWN OF LUMBERPORT; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE BONDHOLDERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION AND RE-DESIGNATION OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE DISTRICT LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Issuer desires to amend the Bond Ordinance though this Supplemental Resolution and Conformed Ordinance (collectively, the "Bond Legislation")

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

WHEREAS, the Bond Ordinance provides for the assumption of the Lumberport Area Public Service Sewer District Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 14, 1997, issued in the original aggregate principal amount of \$2,830,370 (the "District Bonds") and re-designation and replacement as the Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund) in an aggregate principal amount not to exceed 2,539,002.85 (the "Series 2011 A Bonds");

WHEREAS, on the Closing Date, an amount of \$1,755,149.51 is outstanding on the District Bonds.

WHEREAS, the Bond Ordinance has authorized the assumption of a loan agreement relating to the Series 2011 A Bonds, by and between the District and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), including all schedules and exhibits attached thereto, by and among the Town and the Authority (the "Loan Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series Town A Bonds should be established by a supplemental resolution pertaining to the Series Town A Bonds; and that other matters relating to the Series Town A Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Town at this meeting;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be assumed by the Town, that the exact principal amount, the dates, the maturity date, the redemption provisions, the interest rates, if any, the interest and principal payment dates of the Series 2011 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2011 A Bonds be herein provided for;

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

Section 1. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered the assumption of the District Bonds and replacement with the Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of \$1,755,149.51 which is the principal amount outstanding on the District Bonds. The Series 2011 A Bonds shall be dated December 15, 2011, shall finally mature on September 1, 2037 and shall bear no interest. The principal of the Series 2011 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012 to and including September 1, 2037 and in the amounts as set forth in Exhibit B of the Series 2011 A Bonds. The Series 2011 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2011 A Bonds.

Section 3. All other provisions relating to the Series 2011 A Bonds and the text of the Series 2011 A Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 4. The Town does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the performance of the obligations contained therein, on behalf of the Town, are hereby authorized, directed, ratified and approved. The Town hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council, and the Authority.

Section 5. The Town does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2011 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2011 A Bonds, by and between the Town and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Town, are hereby authorized, approved and directed.

Section 6. The Town does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2011 A Bonds under the Bond Ordinance.

Section 7. The District's Series 1997 A Bonds Sinking Fund is hereby assumed by the Town and renamed as the Series 2011 A Bonds Sinking Fund.

Section 8. The District's Series 1997 A Bonds Reserve Account is hereby assumed by the Town and renamed as the Series 2011 A Bonds Reserve Account. The

Series 2011 Bonds Reserve Account Requirement is \$68,162. Any amount in the Series 2011 A Bonds Reserve Account in excess of the Series 2011 Bonds Reserve Account Requirement shall be disbursed by the Commission to the Town.

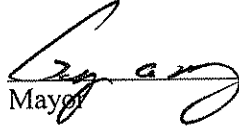
Section 9. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2011 A Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2011 A Bonds may be delivered on or about December 15, 2011, to the Authority.

Section 10. The assumption of the District Bonds is in the public interest, serves a public purpose of the Town and will promote the health, welfare and safety of the residents of the Town.

Section 11. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 5th day of December, 2011.



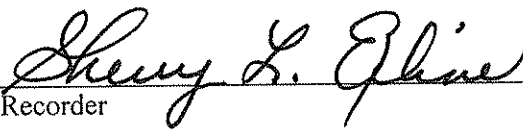
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Lumberport on the 5th day of December, 2011.

Dated: December 15, 2011.

[SEAL]


Recorder

537610.00002

Exhibit A

Conformed Bond Ordinance
(See Tab 1 of Transcript)

LOAN AGREEMENT

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

LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT
(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

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

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

ARTICLE I

Definitions

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

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

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political sub-divisions, and designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Division of Environmental Protection, or any successor thereto.

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

2.10 The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Loan Agreement.

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

2.12 The Governmental Agency, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 15th of each month to the Authority and Council.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local

counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

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

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the

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

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

ARTICLE IV

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

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

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

- (i) to pay Operating Expenses of the System;
- (ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the gross or net revenues from the System, as more fully set forth in Schedules X and Y attached hereto;

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

amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

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

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

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

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

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

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

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

(xviii) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached to the Loan Application, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project;

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

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

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

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such

reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

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

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

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the State's general obligation bonds unless otherwise agreed to by the Council.

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

6.4 The Governmental Agency hereby agrees to give the Authority prior written notice of the issuance by it of any other obligations to be used for the Project, payable

from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

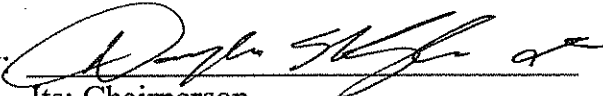
- (i) the end of ninety (90) days after the date of execution hereof by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

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

LUMBERPORT AREA PUBLIC SERVICE
SEWER DISTRICT

(SEAL)

By: 
Its: Chairperson

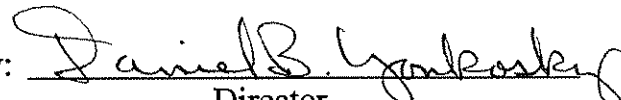
Attest:

Date: October 14, 1997

Pauline Sanders
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: 
Director

Attest:

Date: October 14, 1997

Barbara B. Meadows
Secretary-Treasurer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19____, effective _____, 19____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority") dated _____, 19____.

1. The Bonds are being issued for the purpose of _____
_____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least _____ years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b)(ii) of the Loan Agreement, (vi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this ___ day of ____, 19__.

By: _____

West Virginia License No. _____

[SEAL]

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
c/o West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19__, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest and principal payable in installments on September 1, December 1, March 1 and June 1 of each year, beginning December 1, 1997, at the rate as set forth in Exhibit A incorporated in and made a part of the Bonds.

The Local Bonds are issued for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

Monthly Financial Report

[Name of Governmental Agency]

[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

	<u>ITEM</u>	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>	<u>BUDGET YEAR TO DATE</u>	<u>DIFFERENCE</u>
1.	Gross Revenues Collected				
2.	Operation and Maintenance Expense				
3.	Other Bond Debt Payments (including Reserve Fund deposits)				
4.	Bond Payments (include Reserve Fund deposits)				
5.	Renewal and Replacement Fund Deposit				
6.	Funds available for capital construction				

Witnesseth my signature this ___ day of ___, 19__.

[Name of Governmental Agency]

By: _____
Authorized Officer

CHASFS3:58465

SCHEDULE X

DESCRIPTION OF BONDS

Principal Amount of Bonds	\$2,830,370
Purchase Price of Bonds	\$2,830,370

Principal on the Bonds is payable quarterly, commencing June 1, 1999 to and including September 1, 2037, at a rate of 0% per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 commencing June 1, 1999, as set forth on Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall submit its payments monthly to the West Virginia Municipal Bond Commission which will make quarterly payments to the West Virginia Water Development Authority at such address as is given to the West Virginia Municipal Bond Commission in writing by the Authority.

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal only and such Bonds shall grant the Authority a first lien on the net revenues of the Governmental Agency's system.

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

SCHEDULE Y

Lumberport Public Service Sewer District, West Virginia
\$2,830,370 Infrastructure Fund Loan
40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/1999	-	-	-
6/01/1999	18,379.03	-	18,379.03
9/01/1999	18,379.03	-	18,379.03
12/01/1999	18,379.03	-	18,379.03
3/01/2000	18,379.03	-	18,379.03
6/01/2000	18,379.03	-	18,379.03
9/01/2000	18,379.03	-	18,379.03
12/01/2000	18,379.03	-	18,379.03
3/01/2001	18,379.03	-	18,379.03
6/01/2001	18,379.03	-	18,379.03
9/01/2001	18,379.03	-	18,379.03
12/01/2001	18,379.03	-	18,379.03
3/01/2002	18,379.03	-	18,379.03
6/01/2002	18,379.03	-	18,379.03
9/01/2002	18,379.03	-	18,379.03
12/01/2002	18,379.03	-	18,379.03
3/01/2003	18,379.03	-	18,379.03
6/01/2003	18,379.03	-	18,379.03
9/01/2003	18,379.03	-	18,379.03
12/01/2003	18,379.03	-	18,379.03
3/01/2004	18,379.03	-	18,379.03
6/01/2004	18,379.03	-	18,379.03
9/01/2004	18,379.03	-	18,379.03
12/01/2004	18,379.03	-	18,379.03
3/01/2005	18,379.03	-	18,379.03
6/01/2005	18,379.03	-	18,379.03
9/01/2005	18,379.03	-	18,379.03
12/01/2005	18,379.03	-	18,379.03
3/01/2006	18,379.03	-	18,379.03
6/01/2006	18,379.03	-	18,379.03
9/01/2006	18,379.03	-	18,379.03
12/01/2006	18,379.03	-	18,379.03
3/01/2007	18,379.03	-	18,379.03
6/01/2007	18,379.03	-	18,379.03
9/01/2007	18,379.03	-	18,379.03
12/01/2007	18,379.03	-	18,379.03
3/01/2008	18,379.03	-	18,379.03
6/01/2008	18,379.03	-	18,379.03
9/01/2008	18,379.03	-	18,379.03
12/01/2008	18,379.03	-	18,379.03
3/01/2009	18,379.03	-	18,379.03
6/01/2009	18,379.03	-	18,379.03
9/01/2009	18,379.03	-	18,379.03
12/01/2009	18,379.03	-	18,379.03
3/01/2010	18,379.03	-	18,379.03

Lumberport Public Service Sewer District, West Virginia
 \$2,830,370 Infrastructure Fund Loan
 40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2010	18,379.03	-	18,379.03
9/01/2010	18,379.03	-	18,379.03
12/01/2010	18,379.03	-	18,379.03
3/01/2011	18,379.03	-	18,379.03
6/01/2011	18,379.03	-	18,379.03
9/01/2011	18,379.03	-	18,379.03
12/01/2011	18,379.03	-	18,379.03
3/01/2012	18,379.03	-	18,379.03
6/01/2012	18,379.03	-	18,379.03
9/01/2012	18,379.03	-	18,379.03
12/01/2012	18,379.03	-	18,379.03
3/01/2013	18,379.03	-	18,379.03
6/01/2013	18,379.03	-	18,379.03
9/01/2013	18,379.03	-	18,379.03
12/01/2013	18,379.03	-	18,379.03
3/01/2014	18,379.03	-	18,379.03
6/01/2014	18,379.03	-	18,379.03
9/01/2014	18,379.03	-	18,379.03
12/01/2014	18,379.03	-	18,379.03
3/01/2015	18,379.03	-	18,379.03
6/01/2015	18,379.03	-	18,379.03
9/01/2015	18,379.03	-	18,379.03
12/01/2015	18,379.03	-	18,379.03
3/01/2016	18,379.03	-	18,379.03
6/01/2016	18,379.03	-	18,379.03
9/01/2016	18,379.03	-	18,379.03
12/01/2016	18,379.03	-	18,379.03
3/01/2017	18,379.03	-	18,379.03
6/01/2017	18,379.03	-	18,379.03
9/01/2017	18,379.03	-	18,379.03
12/01/2017	18,379.03	-	18,379.03
3/01/2018	18,379.03	-	18,379.03
6/01/2018	18,379.03	-	18,379.03
9/01/2018	18,379.03	-	18,379.03
12/01/2018	18,379.03	-	18,379.03
3/01/2019	18,379.03	-	18,379.03
6/01/2019	18,379.03	-	18,379.03
9/01/2019	18,379.03	-	18,379.03
12/01/2019	18,379.03	-	18,379.03
3/01/2020	18,379.03	-	18,379.03
6/01/2020	18,379.03	-	18,379.03
9/01/2020	18,379.03	-	18,379.03
12/01/2020	18,379.03	-	18,379.03
3/01/2021	18,379.03	-	18,379.03
6/01/2021	18,379.03	-	18,379.03

Lumberport Public Service Sewer District, West Virginia
\$2,830,370 Infrastructure Fund Loan
40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2021	18,379.03	-	18,379.03
12/01/2021	18,379.03	-	18,379.03
3/01/2022	18,379.03	-	18,379.03
6/01/2022	18,379.03	-	18,379.03
9/01/2022	18,379.02	-	18,379.02
12/01/2022	18,379.02	-	18,379.02
3/01/2023	18,379.02	-	18,379.02
6/01/2023	18,379.02	-	18,379.02
9/01/2023	18,379.02	-	18,379.02
12/01/2023	18,379.02	-	18,379.02
3/01/2024	18,379.02	-	18,379.02
6/01/2024	18,379.02	-	18,379.02
9/01/2024	18,379.02	-	18,379.02
12/01/2024	18,379.02	-	18,379.02
3/01/2025	18,379.02	-	18,379.02
6/01/2025	18,379.02	-	18,379.02
9/01/2025	18,379.02	-	18,379.02
12/01/2025	18,379.02	-	18,379.02
3/01/2026	18,379.02	-	18,379.02
6/01/2026	18,379.02	-	18,379.02
9/01/2026	18,379.02	-	18,379.02
12/01/2026	18,379.02	-	18,379.02
3/01/2027	18,379.02	-	18,379.02
6/01/2027	18,379.02	-	18,379.02
9/01/2027	18,379.02	-	18,379.02
12/01/2027	18,379.02	-	18,379.02
3/01/2028	18,379.02	-	18,379.02
6/01/2028	18,379.02	-	18,379.02
9/01/2028	18,379.02	-	18,379.02
12/01/2028	18,379.02	-	18,379.02
3/01/2029	18,379.02	-	18,379.02
6/01/2029	18,379.02	-	18,379.02
9/01/2029	18,379.02	-	18,379.02
12/01/2029	18,379.02	-	18,379.02
3/01/2030	18,379.02	-	18,379.02
6/01/2030	18,379.02	-	18,379.02
9/01/2030	18,379.02	-	18,379.02
12/01/2030	18,379.02	-	18,379.02
3/01/2031	18,379.02	-	18,379.02
6/01/2031	18,379.02	-	18,379.02
9/01/2031	18,379.02	-	18,379.02
12/01/2031	18,379.02	-	18,379.02
3/01/2032	18,379.02	-	18,379.02
6/01/2032	18,379.02	-	18,379.02
9/01/2032	18,379.02	-	18,379.02

Lumberport Public Service Sewer District, West Virginia
\$2,830,370 Infrastructure Fund Loan
40 Years, 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2032	18,379.02	-	18,379.02
3/01/2033	18,379.02	-	18,379.02
6/01/2033	18,379.02	-	18,379.02
9/01/2033	18,379.02	-	18,379.02
12/01/2033	18,379.02	-	18,379.02
3/01/2034	18,379.02	-	18,379.02
6/01/2034	18,379.02	-	18,379.02
9/01/2034	18,379.02	-	18,379.02
12/01/2034	18,379.02	-	18,379.02
3/01/2035	18,379.02	-	18,379.02
6/01/2035	18,379.02	-	18,379.02
9/01/2035	18,379.02	-	18,379.02
12/01/2035	18,379.02	-	18,379.02
3/01/2036	18,379.02	-	18,379.02
6/01/2036	18,379.02	-	18,379.02
9/01/2036	18,379.02	-	18,379.02
12/01/2036	18,379.02	-	18,379.02
3/01/2037	18,379.02	-	18,379.02
6/01/2037	18,379.02	-	18,379.02
9/01/2037	18,379.01	-	18,379.01
TOTAL	2,830,370.00	-	2,830,370.00

YIELD STATISTICS

Bond Year Dollars..... \$54,838.41
Average Life..... 19.375 Years
Average Coupon..... -

Net Interest Cost (NIC)..... -
True Interest Cost (TIC)..... 0.0000000X
Bond Yield for Arbitrage Purposes..... 0.0000000X
All Inclusive Cost (AIC)..... 0.0000000X

IRS FORM 8038

Net Interest Cost..... -
Weighted Average Maturity..... 19.375 Years

Ferris, Baker Watts, Inc.
Public Finance Department

FILE = LUMBER-Lumberport PSD- SINGLE PURPOSE
9/30/1997 9:42 AM

TOWN OF LUMBERPORT

Sewer Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith on this 15th day of December, 2011.

(1) Bond No. AR-1, constituting the entire issue of the Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), in the principal amount of \$1,755,149.51, dated December 15, 2011 (the "Series 2011 A Bonds"), executed by the Mayor and the Recorder of the Town of Lumberport (the "Town") and bearing the official seal of the Town, authorized under and pursuant to a Bond Ordinance duly enacted by the Town on October 3, 2011, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Town on December 5, 2011 (collectively, the "Bond Legislation");

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

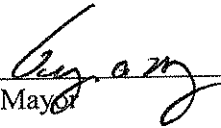
(3) Executed counterparts of a loan agreement assumed by the Town for the Series 2011 A Bonds, dated October 8, 1997 (the "Loan Agreement"), by and between the Lumberport Area Public Service Sewer District and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Series 2011 A Bonds.

You are hereby requested and authorized to deliver the Series 2011 A Bonds to the Authority upon the Town's assumption of the Series 2011 A Bonds. Prior to such delivery of the Series 2011 A Bonds, you will please cause the Series 2011 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

TOWN OF LUMBERPORT



Mayor

537610.00002

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF LUMBERPORT
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

REPLACEMENT BOND
FOR
LUMBERPORT AREA PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1997
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$1,755,149.51

KNOW ALL MEN BY THESE PRESENTS: That on THE 15th day of December, 2011, the TOWN OF LUMBERPORT, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Town"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION SEVEN HUNDRED FIFTY FIVE THOUSAND ONE HUNDRED FORTY NINE DOLLARS AND 51 CENTS (\$1,755,149.51), in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012 to and including September 1, 2037, as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Lumberport Area Public Service Sewer District (the "District") and the Authority, on behalf of the Council, dated October 14, 1997 and assumed by the Town on December 15, 2011.

The Town has assumed the District's Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated October 14, 1997, issued in the original aggregate

principal amount of \$\$2,830,370 (the "District Bonds") and the Town redesignated and replaced the District Bonds as the "Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)". The District Bonds are assumed, re-designated and replaced under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Town on October 3, 2011, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Town on December 5, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THERE ARE NO OUTSTANDING OBLIGATIONS OF THE TOWN WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the Reserve Account created or assumed under the Bond Legislation for the Series 2011 A Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Series 2011 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall the Town be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Series 2011 A Bonds. Pursuant to the Bond Legislation, the Town has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2011 A Bonds; provided however, that, so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Series 2011 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2011 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Town has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

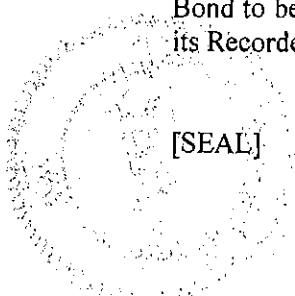
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the assumption and re-designation of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the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

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

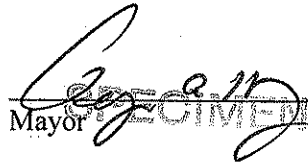
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SPECIMEN

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

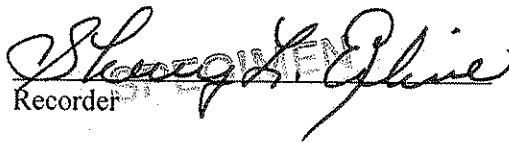


[SEAL]



Mayor

ATTEST:



Recorder

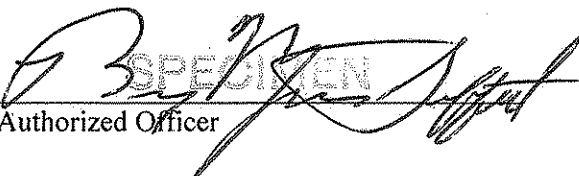
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 15, 2011.

THE HUNTINGTON NATIONAL BANK
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

Town of Lumberport

\$1,755,149.51

0% Interest Rate

Dated Date 12/15/2011

Delivery Date 12/15/2011

Period Ending	Principal	Interest	Debt Service
3/1/2012	17,040.29		17,040.29
6/1/2012	17,040.29		17,040.29
9/1/2012	17,040.29		17,040.29
12/1/2012	17,040.29		17,040.29
3/1/2013	17,040.29		17,040.29
6/1/2013	17,040.29		17,040.29
9/1/2013	17,040.29		17,040.29
12/1/2013	17,040.29		17,040.29
3/1/2014	17,040.29		17,040.29
6/1/2014	17,040.29		17,040.29
9/1/2014	17,040.29		17,040.29
12/1/2014	17,040.29		17,040.29
3/1/2015	17,040.29		17,040.29
6/1/2015	17,040.29		17,040.29
9/1/2015	17,040.29		17,040.29
12/1/2015	17,040.29		17,040.29
3/1/2016	17,040.29		17,040.29
6/1/2016	17,040.29		17,040.29
9/1/2016	17,040.29		17,040.29
12/1/2016	17,040.29		17,040.29
3/1/2017	17,040.29		17,040.29
6/1/2017	17,040.29		17,040.29
9/1/2017	17,040.29		17,040.29
12/1/2017	17,040.29		17,040.29
3/1/2018	17,040.29		17,040.29
6/1/2018	17,040.29		17,040.29
9/1/2018	17,040.29		17,040.29
12/1/2018	17,040.29		17,040.29
3/1/2019	17,040.29		17,040.29
6/1/2019	17,040.29		17,040.29
9/1/2019	17,040.29		17,040.29
12/1/2019	17,040.29		17,040.29
3/1/2020	17,040.29		17,040.29
6/1/2020	17,040.29		17,040.29
9/1/2020	17,040.29		17,040.29
12/1/2020	17,040.29		17,040.29
3/1/2021	17,040.29		17,040.29
6/1/2021	17,040.29		17,040.29
9/1/2021	17,040.29		17,040.29
12/1/2021	17,040.29		17,040.29
3/1/2022	17,040.29		17,040.29
6/1/2022	17,040.29		17,040.29
9/1/2022	17,040.29		17,040.29
12/1/2022	17,040.29		17,040.29
3/1/2023	17,040.29		17,040.29

BOND DEBT SERVICE

Town of Lumberport

\$1,755,149.51

0% Interest Rate

Splendid

Period Ending	Principal	Interest	Debt Service
6/1/2023	17,040.29		17,040.29
9/1/2023	17,040.29		17,040.29
12/1/2023	17,040.29		17,040.29
3/1/2024	17,040.29		17,040.29
6/1/2024	17,040.29		17,040.29
9/1/2024	17,040.29		17,040.29
12/1/2024	17,040.29		17,040.29
3/1/2025	17,040.29		17,040.29
6/1/2025	17,040.29		17,040.29
9/1/2025	17,040.29		17,040.29
12/1/2025	17,040.29		17,040.29
3/1/2026	17,040.29		17,040.29
6/1/2026	17,040.29		17,040.29
9/1/2026	17,040.29		17,040.29
12/1/2026	17,040.29		17,040.29
3/1/2027	17,040.29		17,040.29
6/1/2027	17,040.29		17,040.29
9/1/2027	17,040.29		17,040.29
12/1/2027	17,040.29		17,040.29
3/1/2028	17,040.29		17,040.29
6/1/2028	17,040.29		17,040.29
9/1/2028	17,040.29		17,040.29
12/1/2028	17,040.28		17,040.28
3/1/2029	17,040.28		17,040.28
6/1/2029	17,040.28		17,040.28
9/1/2029	17,040.28		17,040.28
12/1/2029	17,040.28		17,040.28
3/1/2030	17,040.28		17,040.28
6/1/2030	17,040.28		17,040.28
9/1/2030	17,040.28		17,040.28
12/1/2030	17,040.28		17,040.28
3/1/2031	17,040.28		17,040.28
6/1/2031	17,040.28		17,040.28
9/1/2031	17,040.28		17,040.28
12/1/2031	17,040.28		17,040.28
3/1/2032	17,040.28		17,040.28
6/1/2032	17,040.28		17,040.28
9/1/2032	17,040.28		17,040.28
12/1/2032	17,040.28		17,040.28
3/1/2033	17,040.28		17,040.28
6/1/2033	17,040.28		17,040.28
9/1/2033	17,040.28		17,040.28
12/1/2033	17,040.28		17,040.28
3/1/2034	17,040.28		17,040.28
6/1/2034	17,040.28		17,040.28
9/1/2034	17,040.28		17,040.28
12/1/2034	17,040.28		17,040.28
3/1/2035	17,040.28		17,040.28
6/1/2035	17,040.28		17,040.28

BOND DEBT SERVICE

Town of Lumberport

\$1,755,149.51

0% Interest Rate

SPECIMEN

Period Ending	Principal	Interest	Debt Service
9/1/2035	17,040.28		17,040.28
12/1/2035	17,040.28		17,040.28
3/1/2036	17,040.28		17,040.28
6/1/2036	17,040.28		17,040.28
9/1/2036	17,040.28		17,040.28
12/1/2036	17,040.28		17,040.28
3/1/2037	17,040.28		17,040.28
6/1/2037	17,040.28		17,040.28
9/1/2037	17,040.28		17,040.28
	1,755,149.51		1,755,149.51

SPECIMEN

(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 Town with full power of substitution in the premises.

Dated: _____, 20 ____.

In the presence of:



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

Writer's Contact Information

December 15, 2011

Town of Lumberport
Sewer Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

Town of Lumberport
Lumberport, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the Town of Lumberport (the "Town"), a municipal corporation and political subdivision of the State of West Virginia in connection with its assumption of the Lumberport Area Public Service Sewer District, Series 1997 A (West Virginia Infrastructure Fund) and re-designation as Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) the assumption of a loan agreement dated October 14, 1997, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Lumberport Area Public Service Sewer District and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the Bonds assumed by the Town and replaced and delivered to the Authority. The Bonds are in the principal amount of \$1,755,149.51, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning March 1, 2012, to and including September 1, 2037, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the bond ordinance duly enacted by the Town on October 3, 2011, as supplemented by the Supplemental Resolution duly adopted by the Town on December 5, 2011 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

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

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

3. The Town is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to operate and maintain the System, to adopt or enact the Bond Legislation and to assume and re-designate the Bonds, all under the Act and other applicable provisions of law.

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

5. The Bonds have been duly authorized, executed and delivered by the Town to the Authority and are valid, legally enforceable and binding special obligations of the Town, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System.

6. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

Very truly yours,


STEPHENS & JOHNSON PLLC

Thomas R. Michael
ATTORNEY AT LAW
P.O. BOX 250
LOST CREEK, WEST VIRGINIA, 26385-0250

PHONE 304-745-5904

FAX 304-745-5907

EMAIL tom_michael@yahoo.com

December 15, 2011

Town of Lumberport
Sewer Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

Town of Lumberport
Lumberport, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the Town of Lumberport in Harrison County, West Virginia (the "Town"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement assumed by the Town, dated October 14, 1997 (the "Loan Agreement"), including all schedules and exhibits attached thereto, by and between the Lumberport Area Public Service Sewer District and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Ordinance duly enacted by the Town on October 3, 2011, as supplemented by a Supplemental Resolution and Conformed Ordinance duly adopted by the Town on December 5, 2011 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Town (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and Loan Agreement when used herein.

I am of the opinion that:

1. The Town has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder and members of the council of the Town have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Town in their respective capacities.

2. The Loan Agreement has been assumed by Town and, constitutes valid and binding agreement of the Town enforceable in accordance with its terms.

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

4. The assumption, replacement and delivery of the Series 2011 A Bonds, the Loan Agreement 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 Town, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Town is a party or by which the Town or its properties are bound or any existing law, regulation, court order or consent decree to which the Town is subject.

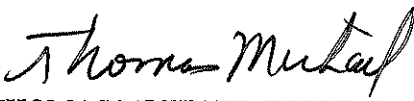
5. The Town has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the assumption and replacement of the Bonds, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance dated May 2, 2011.

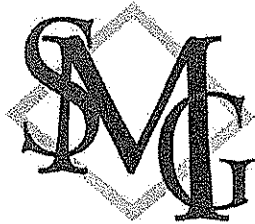
6. The Town has received the Recommended Decision of the Public Service Commission of West Virginia entered on August 23, 2011, which became Final Order on September 12, 2011 in Case No. 10-1090-PSD-S-PC, approving the acquisition of the assets of the Lumberport Area Public Service Sewer District. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such order remains in full force and effect.

7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bond Legislation, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

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

Sincerely,


THOMAS MICHAEL, ESQUIRE



Smith, McMunn & Glover, PLLC
Attorneys at Law

G. Thomas Smith
D. Andrew McMunn
David C. Glover

516 West Main Street
Clarksburg, WV 26301

Telephone: (304) 326-6000
Facsimile: (304) 326-4000
Writer's Email: davideglover@aol.com

December 15, 2011

Town of Lumberport
Lumberport, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

I have acted as counsel to Lumberport Area Public Service Sewer District (the "District") in connection with the acquisition of the District by the Town of Lumberport (the "Town"), the assumption and re-designation by the Town of the District's Sewer Revenue Bonds, Series 1997 A, dated October 14, 1997 issued in the original aggregate principal amount of \$2,830,370 (the "District Bonds"), issued pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act").

I have examined the applicable provisions of the Act, the order dated November 19, 2009 of The County Commission of Harrison County (the "County Commission") proposing and ordering the transfer of the District to the Town, the resolution of the District approving the acquisition by the Town (the "Resolution"), pursuant to and under which the District is acquired by the Town and the District Bonds are assumed and replaced by the Town.

Based upon the foregoing, and upon my examination of such other documents, instruments and certificates as I have deemed necessary, I am of the opinion, under existing law, as follows:

1. The District is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia, with corporate power to be acquired by the Town and to assign the District Bonds, all under the Act and other applicable provisions of law. The members and officers of the Public Service Board of the District have been

duly and properly appointed and elected, have taken the requisite oaths and were authorized to act on behalf of the District in their respective capacities.

2. The Resolution of the District has been duly adopted by the Public Service Board of the District and are in full force and effect.

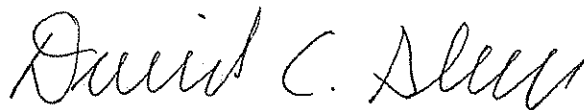
3. To the best of my knowledge, the consummation of the transactions contemplated by the Resolution and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the District, a breach of or default under any resolution, agreement or other instrument to which the District is a party or any existing law, regulation, court order or consent decree to which the District is subject.

4. The Town and the District has received the Recommended Decision of the Public Service Commission of West Virginia entered on August 23, 2011, which became Final Order on September 12, 2011 in Case No. 10-1090-PSD-S-PC, approving the acquisition of the assets of the Lumberport Area Public Service Sewer District. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such order remains in full force and effect.

5. To the best of my knowledge, there is no litigation action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated herein.

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

Sincerely,

A handwritten signature in black ink, appearing to read "David C. Glover". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Glover".

David C. Glover

DCG/ed

TOWN OF LUMBERPORT

Sewer Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF TOWN AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. LOAN AGREEMENT
10. RATES
11. INSURANCE
12. SIGNATURES AND DELIVERY
13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
14. PUBLIC SERVICE COMMISSION ORDER
15. SPECIMEN BONDS
16. CONFLICT OF INTEREST
17. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the Town of Lumberport in Harrison County, West Virginia (the "Town"), and the undersigned COUNSEL TO THE TOWN hereby certifies on this 15th day of December, 2011 in connection with the Town's assumption of Lumberport Area Public Service Sewer District Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund) and the assumption by the Town and re-designation and replacement as Town of Lumberport, Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund) dated the date hereof (the "Series 2011 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Town duly enacted October 3, 2011, and the Supplemental Resolution and Conformed Ordinance duly adopted December 5, 2011 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the assumption and re-designation or delivery of the Series 2011 A Bonds, the operation of the System, the

receipt of the Gross Revenues or any grants, or in any way contesting or affecting the validity of the Series 2011 A Bonds, or any proceedings of the Town taken with respect to the assumption and re-designation of the Series 2011 A Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Series 2011 A Bonds or the existence or the powers of the Town insofar as they relate to the authorization of the assumption and re-designation of the Series 2011 A Bonds, the operation of the System, the pledge or application of moneys and security or the collection of the Net Revenues or the pledge of Net Revenues as security for the Series 2011 A Bonds.

3. GOVERNMENTAL APPROVALS: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the operation of the System and the assumption and re-designation of the Series 2011 A Bonds have been obtained and remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Town since the approval, execution and delivery by the Town of the Loan Agreement, and the Town has met all conditions prescribed in the Loan Agreement.

The Town has obtained a certificate of an Independent Certified Public Accountant stating that the coverage tests of the Series 2011 A Bonds are met. There are no outstanding obligations of the Town which will rank on a parity with the Series 2011 A 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

Loan Agreement

Public Service Commission Orders

Town Charter

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Oaths of Office of Officers and Councilmembers

Resolution on Open Governmental Proceedings Rules

Sewer Rate Ordinance

Minutes on Enactment of Sewer Rate Ordinance and Notice of Public Hearing

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Enactment of Bond Ordinance and Adoption of Supplemental Resolution and Rules of Procedure

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

Consent of WDA

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Town is "Town of Lumberport". The Town is a municipal corporation in Harrison County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Town is its Council, consisting of a Mayor, Recorder and five (5) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
George Hagan, Mayor	07/01/2011	06/30/2013
Sherry Exline, Recorder	07/01/2011	06/30/2013
David Markley	07/01/2011	06/30/2013
Rhonda Cook	07/01/2011	06/30/2013
Emily Cook	07/01/2011	06/30/2013
Leslie Gianettino	07/01/2011	06/30/2013
Johnny Raven	07/01/2011	06/30/2013

The duly appointed and acting Counsel to the Town is Thomas R. Michael, Esquire, Lost Creek, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the System have been acquired by the Town and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof are, in the opinion of all the undersigned, within the ability of the Town to pay for the same without jeopardizing the security of or payments on the Series 2011 A Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Town in any way connected with the Series 2011 A Bonds and the operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Town duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. LOAN AGREEMENT: As of the date hereof, the Town has assumed the loan agreement dated October 14, 1997 by and between the Lumberport Area Public Service Sewer District and the West Virginia Water Development Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Loan Agreement").

10. RATES: The Town has duly enacted a sewer rate ordinance on May 2, 2011 setting rates and charges of the System such rates are currently in full force and effect.

11. INSURANCE: The Town will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation and the Loan Agreement. All insurance for the System required by the Bond Legislation and the Loan Agreement are in full force and effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2011 A Bonds dated the date hereof, by his or her manual signature, and the undersigned Recorder did officially cause the official seal of the Town to be affixed upon said Series 2011 A Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2011 A Bonds to a representative of the Authority as the original purchaser of the Series 2011 A Bonds under the Loan Agreement. Said official seal of the Town is also impressed above the signatures appearing on this certificate.

13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Exponent Telegram*, a qualified newspaper of general circulation in the Town of Lumberport, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Town contemplated the assumption and re-designation of the Series 2011 A Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 3rd day of October, 2011, at 6:30 p.m., at the Lumberport Town Hall and present protests, and stating that a certified

copy of the Bond Ordinance was on file at the office of the Town Recorder of the Town for review by interested parties during the office hours of the Town. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

14. PUBLIC SERVICE COMMISSION ORDER: The Town has received the Recommended Decision of the Public Service Commission of West Virginia entered on August 23, 2011, which became Final Order on September 12, 2011, approving the acquisition of the Assets of the Lumberport Area Public Service Sewer District. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such order remains in full force and effect.

15. SPECIMEN BONDS: Delivered concurrently herewith is a true and accurate specimen of the Series 2011 A Bonds.

16. CONFLICT OF INTEREST: No member, officer or employee of the Town has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Town or in the sale of any land, materials, supplies or services to the Town or to any contractor supplying the Town, relating to the Series 2011 A Bonds and/or the Bond Legislation. 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.

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

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of the TOWN OF LUMBERPORT on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Gary
Sherry L. Ehlene
Thomas R. Michael

Mayor

Recorder

Counsel to Town

537610.00002

WV MUNICIPAL BOND COMMISSION

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

NEW ISSUE REPORT FORM

Date of Report: 15-Dec-11

ISSUE: Town of Lumberport
Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)

ADDRESS: PO Box 519 Lumberport, WV 26386 COUNTY: Harrison

PURPOSE OF ISSUE:
New Money: assumption and replacement
Refunding: _____

ISSUE DATE: _____

ISSUE AMOUNT: \$1,755,149.51

1ST DEBT SERVICE DUE: 1-Mar-12

1ST DEBT SERVICE AMOUNT \$17,040.29

REFUNDS ISSUE(S) DATED: NA

CLOSING DATE: 15-Dec-11

RATE: 0%

1ST PRINCIPAL DUE 1-Mar-12

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:

Firm: Step toe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

CLOSING BANK:

Bank: _____
Contact: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact: George Hagan
Position: Mayor
Phone: 304.584.4370

UNDERWRITERS COUNSEL

Firm: Jackson Kelly, PLLC
Contact: Sammee Gee, Esquire
Phone: (304) 340-1318

ESCROW TRUSTEE:

Firm: _____
Contact: _____
Phone: _____

OTHER:

Agency: West Virginia Infrastructure & Jobs
Development Council
Contact: Jim Ellars
Position: Executive Director
Phone: _____

DEPOSITS TO MBC AT CLOSE

By: _____ Wire _____
_____ Check _____

Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Reserve Account: \$ _____
Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire _____
_____ ☒ Check _____
_____ IGT _____

To Escrow Trustee \$ _____
_____ ☒ To Issuer \$ amount in Reserve Account in
_____ To Cons. Invest. Fund excess of \$68,162
_____ To Other: _____

NOTES: The Town of Lumberport has assumed the Lumberport Area Public Service Sewer District Sewer Revenue Bonds Series 1997 A and re-designated and replaced them as Town of Lumberport Sewer Revenue Bonds, Series 2011 A
The Sinking Fund and Reserve Account for the Series 1997 A Bonds are also assumed by the Town
The Reserve Requirement for the Series 2011 A Bonds is \$68,162.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

TOWN OF LUMBERPORT

RESOLUTION OF THE TOWN OF LUMBERPORT APPROVING INVOICES RELATING TO ACQUISITION OF THE LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Town of Lumberport (the Town") has reviewed the invoices attached hereto and incorporated herein by reference relation to the acquisition of the Lumberport Area Public Service Sewer District and find as follows:

WHEREAS, the Lumberport Area Public Service Sewer District Series 1997 A Bonds Reserve Account has been acquired by the Town and renamed as the Town of Lumberport Series 2011 A Bonds Reserve Account;

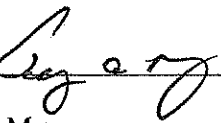
WHEREAS, the Town has requested the Municipal Bond Commission to refund the amount in excess of the \$68,162 Reserve Requirement for the Series 2011 A Bonds Reserve Account; and

WHEREAS, the amount expected to be received from the MBC is \$9,878.96 per the attached MBC Statement of Account as of October 31, 2011.

NOW, THEREFOR, BE IT RESOLVED the Town of Lumberport by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Thomas Michael	\$2,347.72
Steptoe & Johnson	7,530.28
Total	\$9,878.00

ADOPTED BY the Town of Lumberport, at the meeting held on the 5th day of December, 2011.

By: 

Its: Mayor

TOWN OF LUMBERPORT

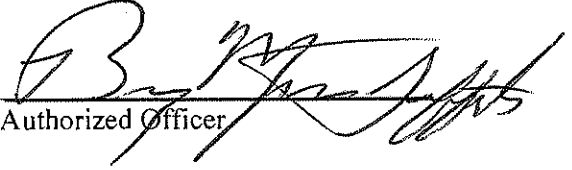
Sewer Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Lumberport Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated December 15, 2011, in the principal amount of \$1,755,149.51 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 15th day of December, 2011.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

537610.00002

5670657

TOWN OF LUMBERPORT

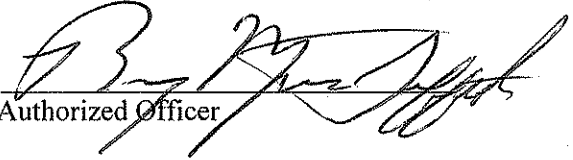
Sewer Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the Town of Lumberport (the "Town"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), of the Issuer, dated December 15, 2011, in the principal amount of \$1,755,149.51, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 15th day of December, 2011.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

537610.00002

5670665

TOWN OF LUMBERPORT

Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 15th day of December, 2011, by and between the TOWN OF LUMBERPORT, a public corporation and political subdivision of the State of West Virginia (the "Town"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Town has, contemporaneously with the execution hereof assumed and re-designated its \$1,755,149.51 Sewer Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to the Bond Ordinance of the Town duly enacted on October 3, 2011, and the Supplemental Resolution and Conformed Ordinance of the Town duly adopted December 5, 2011 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Town of a Registrar for the Bonds; and

WHEREAS, the Town desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Town and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Town advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Town with appropriate records of all transactions carried out by it as Registrar and to furnish the Town with the names and specimen

signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Town may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Town.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Town hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Town and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

TOWN: Town of Lumberport
P.O. Box 519
Lumberport, West Virginia 26386
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

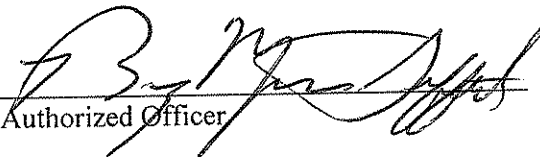
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IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

TOWN OF LUMBERPORT

By: 
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

537610.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SWEEP RESOLUTION

WHEREAS, the Town of Lumberport (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

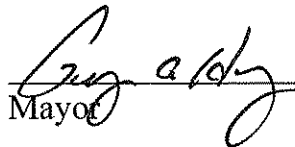
WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.
- 2) Mayor and Clerk are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.
- 3) This resolution shall be effective immediately upon adoption.

Adopted this 5th day of December, 2011.



Mayor

LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT

**A RESOLUTION RATIFYING THE MERGER OF
LUMBERPORT AREA PUBLIC SERVICE SEWER
DISTRICT INTO THE TOWN OF LUMBERPORT**

WHEREAS, Lumberport Area Public Service Sewer District (the "District") is a public service district and public corporation created by Resolution of The County Commission of Harrison County (the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Code");

WHEREAS, the District owns and operates a sewerage system within its service territory in Harrison County;

WHEREAS, the Town of Lumberport (the "Town") is a municipality and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of Chapter 16, Article 13A of Code;

WHEREAS, the Town owns and operates a waterworks system and sewerage system within its service territory in Harrison County;

WHEREAS, on November 19, 2009, the County Commission entered an order approving the merger of the District into the Town;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 10-1090-PSD-S-PC, approved and ordered the merger of the District into the Town, as described more fully herein; and

WHEREAS, the District deems it desirous to adopt a Resolution ratifying the merger of the District into the Town, and to confirm that all lawful actions required to effectuate the merger have been completed.

**NOW, THEREFORE, BE IT RESOLVED BY LUMBERPORT AREA
PUBLIC SERVICE SEWER DISTRICT:**

1. That the merger of the District into the Town, as approved by the Public Service Commission of West Virginia in Case No. 10-1090-PSD-S-PC, by Recommended Decision entered August 23, 2011 which became a Final Order on September 12, 2011, is hereby ratified, confirmed, and, in all respects deemed completed, contingent upon the following conditions established by the Public Service Commission of West Virginia:

(a) That the merger not be consummated between the District and the Town until the District has received written bondholder approval from all bondholders of the District; and

(b) That the Town maintain the existing rates and charges of District until otherwise ordered by the Commission. Town shall file a request for rate review with the Public Service Commission of West Virginia no later than eighteen (18) months after the consummation of the merger. Town is free to file before that time period, if it deems it necessary to do so for financial reasons.

2. That all lawful actions required to effectuate the merger of the District into the Town have been completed, and are hereby ratified and confirmed.

3. Adopted this 5th day of ~~December~~ ^{OCTOBER}, 2011.

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WITNESS my signature on this the day and year first above written.

LUMBERPORT AREA PUBLIC
SERVICE SEWER DISTRICT

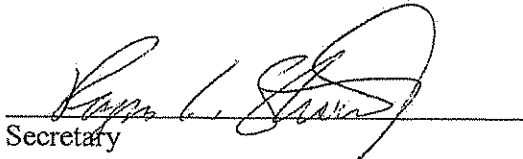
By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of
LUMBERPORT AREA PUBLIC SERVICE SEWER DISTRICT on the 8TH day of
December, 2011.

OCTOBER

[SEAL]


Secretary

537610.00002