

TOWN OF SUMMERSVILLE
Combined Waterworks and Sewerage System Bonds, Series 2009 A
(United States Department of Agriculture)

BOND ORDINANCE

Table of Contents

ARTICLE I

**STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS**

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

ARTICLE II

**AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
--------------	--

ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BONDS**

Section 3.01	Authorization of Bonds
Section 3.02	Description of Bonds
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds
Section 3.04	Bond Registrar
Section 3.05	Execution of Bonds
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds Secured by Pledge of Net Revenues

Section 3.08 Form of Bonds
FORM OF BOND

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01 Establishment of Funds and Accounts with Depository Bank
Section 4.02 Establishment of Funds and Accounts with Commission
Section 4.03 Bond Proceeds; Construction Trust Account
Section 4.04 Covenants of the Issuer as to Revenues and Funds

ARTICLE V

GENERAL COVENANTS

Section 5.01 General Statement
Section 5.02 Rates
Section 5.03 Sale of the System
Section 5.04 Issuance of Additional Parity Bonds or Obligations
Section 5.05 Insurance and Bonds
Section 5.06 Statutory Mortgage Lien
Section 5.07 Events of Default
Section 5.08 Enforcement
Section 5.09 Fiscal Year; Budget
Section 5.10 Covenant to Proceed and Complete
Section 5.11 Books and Records; Audits
Section 5.12 Maintenance of System
Section 5.13 No Competition

ARTICLE VI

RATES, ETC.

Section 6.01 Initial Schedule of Rates and Charges; Rules

ARTICLE VII

MISCELLANEOUS

Section 7.01 Payment of Bonds
Section 7.02 Modification or Amendment
Section 7.03 Delivery of Bonds
Section 7.04 Severability of Invalid Provisions

Section 7.05	Prior Ordinances; Conflicting Provisions Repealed
Section 7.06	Table of Contents and Headings
Section 7.07	Covenant of Due Procedure, Etc
Section 7.08	Statutory Notice and Public Hearing
Section 7.09	Effective Time
	SIGNATURES
	CERTIFICATION

TOWN OF SUMMERSVILLE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE FACILITIES OF THE TOWN OF SUMMERSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$3,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2009 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Summersville (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State.

Section I.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a combined waterworks and sewerage system and desires to acquire, construct and operate certain additional public combined waterworks and

sewerage facilities consisting of additions, betterments and improvements to such existing combined waterworks and sewerage facilities, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the existing combined waterworks and sewerage system of the Issuer, consisting of construction of waterline extensions at or near the City of Summersville, together with all necessary appurtenances (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The existing combined waterworks and sewerage system of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is \$6,252,000, which will be obtained from the proceeds of sale of the Bonds herein authorized.

E. It is necessary for the Issuer to issue its Combined Waterworks and Sewerage System Bonds Series 2009 A (United States Department of Agriculture) in one or more series of bonds in the aggregate principal amount of not more than \$3,500,000 (the "Series 2009 A Bonds"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2009 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

F. The period of usefulness of the System, as herein defined, after completion of the Project is not less than 40 years.

G. The Issuer has the following outstanding obligations: (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15,

2007, issued in the original aggregate principal amount of \$8,682,265 (the "Series 2007 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated May 15, 2007, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2007 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505 (the "Series 2002 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of \$2,388,495 (the "Series 2002 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000 (the "Series 1998 A Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057 (the "Series 1991 A Bonds"); (7) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848 (the "Series 1990 A Bonds"); and (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000 (the "Series 1977 Bonds") (collectively, the "First Lien Bonds") and (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651 (the "Series 1991 B Bonds"); and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152 (the "Series 1990 B Bonds") (collectively, the "Second Lien Bonds") The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

There are also outstanding obligations of the Issuer which will not rank on a parity with the Series 2009 A Bonds as to liens, pledge and source of and security for payment being the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2009 A (West Virginia Water Development Authority), dated March 3, 2009, issued in the original aggregate principal amount of \$1,110,000 (the "Prior Notes").

The Series 2009 A Bonds shall be issued on a parity with the First Lien Bonds. Prior to the issuance of the Series 2009 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met; (ii) the written consent of the Holders of the First Lien Bonds to the issuance of the Series 2009 A Bonds on a parity with the First Lien Bonds; and (iii) the written consent of the Holders of the Second Lien Bonds to the issuance of the Series 2009 A Bonds prior to the Second Lien Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the system.

H. It is in the best interest of the Issuer that the Series 2009 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated July 7, 2008, and any amendments, thereto (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2009 A Bonds, or will have so complied prior to issuance of the Series 2009 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2009 A Bonds.

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

"Act" means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended.

"Board" means the utility board duly created by the Issuer for the management and operation of its combined waterworks and wastewater system.

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

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Recorder.

"Bonds" means, collectively, the Combined Waterworks and Sewerage System Bonds, Series 2009 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation, and the Prior Bonds.

"Closing Date" means the date upon which there is an exchange of the Series 2009 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2009 A Bonds from the Purchaser.

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

"Consulting Engineer" means Stafford Consultants, Inc., Princeton, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means the Town National Bank, Summersville, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "combined waterworks and sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Grants" means, collectively, all grants committed for the Project.

"FDIC" means the Federal Deposit Insurance Corporation.

"First Lien Bonds" means the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds, Series 1990 A Bonds and Series 1977 Bonds.

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

"Governing Body" or "Council" means the Council of the Issuer.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the Town of Summersville, a municipal corporation and political subdivision of the State of West Virginia, in Nicholas County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated July 7, 2008, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 A Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and 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 principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 2009 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Ordinances" means, the Bond Legislation.

"Prior Bonds" means, collectively, the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds, Series 1991 B Bonds, Series 1990 A Bonds, Series 1990 B Bonds and Series 1977 Bonds.

"Prior Notes" means the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2009 A (West Virginia Water Development Authority), dated March 3, 2009, issued in the original aggregate principal amount of \$1,110,000.

"Prior Ordinances" means the Ordinances of the Issuer, authorizing the issuance of the Prior Bonds, as supplemented.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(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 (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided,

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

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

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

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2009 A Bonds.

"Reserve Funds" means, the respective reserve funds for the Bonds.

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

"Second Lien Bonds" means the Series 1991 B Bonds and the Series 1990 B Bonds.

"Series 2007 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15, 2007, issued in the original aggregate principal amount of \$8,682,265.

"Series 2007 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated May 15, 2007, issued in the original aggregate principal amount of \$2,000,000.

"Series 2002 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505.

"Series 2002 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of \$2,388,495.

"Series 1998 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000.

"Series 1991 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057.

"Series 1991 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651.

"Series 1990 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848.

"Series 1990 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152.

"Series 1977 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000.

"Series 2009 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds (United States Department of Agriculture) issued in one or more series authorized hereby to be issued pursuant to this bond legislation.

"State" means the State of West Virginia.

"System" means the complete combined waterworks and sewerage system of the Issuer and all combined waterworks and sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the combined waterworks and sewerage system from any source whatsoever.

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

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; and any requirement for execution or attestation of the Series 2009 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2009 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated maximum cost of \$6,252,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The Cost of the Project is estimated not to exceed \$6,252,000 of which an amount not to exceed \$3,500,000 will be obtained from the proceeds of the Series 2009 A Bonds, approximately \$858,294 from the proceeds of a grant from the Purchaser, \$1,500,000 from the proceeds of a Small Cities Block Grant.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2009 A Bonds of the Issuer, to be known as "Combined Waterworks and Sewerage System Bonds, Series 2009 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount not to exceed \$3,500,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2009 A Bonds shall be issued in one or more series, only as a fully registered Bonds, in a principal amount not to exceed \$3,500,000 and shall bear interest from date of delivery, payable monthly at the rate not to exceed 3.625% per annum, all to be specified in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2009 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2009 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2009 A Bonds, and the right to the principal of and stated interest on the Series 2009 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof,

by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2009 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2009 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2009 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2009 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2009 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2009 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2009 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2009 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2009 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2009 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2009 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2009 A Bonds shall cease to be such officer of the Issuer before the Series 2009 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2009 A Bonds had not ceased to hold such office. The Series 2009 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2009 A Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2009 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2009 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2009 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2009 A Bonds the Issuer may pay the same, and, if such Series 2009 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2009 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2009 A Bonds on a parity with the Series 1979 Bonds and Series 1986 C Bonds, and senior and prior to the Series 1990 B Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2009 A Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2009 A Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2009 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2009 A BOND)

TOWN OF SUMMERSVILLE

COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2009 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____, 2009

FOR VALUE RECEIVED, the TOWN OF SUMMERSVILLE (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____ % per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the combined waterworks and sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on _____, 2009 authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,682,265 (THE "SERIES 2007 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2007 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,661,505 (THE "SERIES 2002 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,388,495 (THE "SERIES 2002 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 6, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$639,000 (THE "SERIES 1998 A BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$790,057 (THE "SERIES 1991 A BONDS"); (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$281,848 (THE "SERIES 1990 A BONDS"); AND (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1977 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 4, 1981, ISSUED IN THE ORIGINAL AGGREGATE

PRINCIPAL AMOUNT OF \$290,000 (THE "SERIES 1977 BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS")

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$35,651 (THE "SERIES 1991 B BONDS"); AND (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$13,152 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF SUMMERSVILLE has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF SUMMERSVILLE

[CORPORATE SEAL]

Mayor

ATTEST:

Recorder

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with, and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by the Prior Ordinances and continued hereby);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances and continued hereby);
- (3) Series 1977 Reserve Fund (established by the Prior Ordinances and continued hereby); and
- (3) Series 2009 Construction Trust Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by Prior Ordinance), and shall be held by, the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2007 A Bonds Sinking Fund (established by the Prior Ordinances);
- (2) Series 2007 A Bonds Reserve Account (established by the Prior Ordinances);
- (3) Series 2007 B Bonds Sinking Fund (established by the Prior Ordinances);
- (4) Series 2007 B Bonds Reserve Account (established by the Prior Ordinances);
- (5) Series 2002 A Bonds Sinking Fund (established by the Prior Ordinances);
- (6) Series 2002 A Bonds Reserve Account (established by the Prior Ordinances);

- (7) Series 2002 B Bonds Sinking Fund (established by the Prior Ordinances);
- (8) Series 2002 B Bonds Reserve Account (established by the Prior Ordinances);
- (9) Series 1998 A Bonds Sinking Fund (established by the Prior Ordinances);
- (10) Series 1998 A Bonds Reserve Account (established by the Prior Ordinances);
- (11) Series 1991 A Bonds Sinking Fund (established by the Prior Ordinances);
- (12) Series 1991 A Bonds Reserve Account (established by the Prior Ordinances);
- (13) Series 1991 B Bonds Sinking Fund (established by the Prior Ordinances);
- (14) Series 1991 B Bonds Reserve Account (established by the Prior Ordinances);
- (15) Series 1990 A Bonds Sinking Fund (established by the Prior Ordinances);
- (16) Series 1990 A Bonds Reserve Account (established by the Prior Ordinances);
- (17) Series 1990 B Bonds Sinking Fund (established by the Prior Ordinances);
- (18) Series 1990 B Bonds Reserve Account (established by the Prior Ordinances); and
- (19) Series 2009 A Notes Sinking Fund (established by Prior ordinances); and
- (20) Series 2009 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Construction Trust Fund. The proceeds of sale of the Series 2009 A Bonds shall be deposited upon receipt by the Issuer in the Series 2009 Construction Trust Fund. The monies in the Account in excess of the amount insured by FDIC shall be secured at all

times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2009 Construction Trust Fund shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2009 Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2009 Construction Trust Fund and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2009 A Bonds if there are not sufficient Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Series 2009 Construction Trust Fund shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2009 Construction Trust Fund shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2009 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2009 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2009 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2009 A Bonds as follows:

A. **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Ordinances.

B. **DISPOSITION OF REVENUES.** All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

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

(2) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the interest payments on the Series 1991 A Bonds and Series 1990 A Bonds as required by the Prior Ordinances; (ii) remit to the National Finance Office the interest payments on the Series 1977 Bonds as required by Prior Ordinance; and (iii) to the National Finance Office, the amounts required to pay the interest on the Series 2009 A Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the principal payments on the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds and Series 1990 A Bonds, as required by the Prior Ordinances; (ii) remit to the National Finance Office the principal payments on the Series 1977 Bonds as required by Prior Ordinance; and (iii) on or before the due date hereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2009 A Bonds, the amount required to amortize the principal of the Series 2009 A Bonds over the life of the bond issue.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission for deposit in the respective reserve accounts for the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds and Series 1990 A Bonds, the amounts required by the Prior Ordinances to be deposited therein; (ii) remit to the Depository Bank for deposit in the Reserve Account the amount required by Prior Ordinance for the Series 1977 Bonds; and (iii) remit to the Commission beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2009 A Bonds Reserve Account an amount equal to 10% of the monthly payment amount, until the amount in the Series 2009 A Bonds Reserve Account equals the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 A Bonds Reserve Requirement. Moneys in the Series 2009 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2009 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2009 A Bonds, or for mandatory prepayment of the Series 2009 A Bonds as hereinafter provided, and for no other purpose; provided, however, that when the Minimum Reserve has been accumulated in the Series 2009 A Bonds Reserve Account, all

earnings of investments of moneys therein shall at least annually be transferred to and deposited in the Revenue Fund.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Ordinance to pay principal on the Second Lien Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Ordinance for deposit in the respective reserve accounts for the Second Lien Bonds.

(8) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein, may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the monies in the Series 2009 A Bonds Reserve Account shall be sufficient to prepay the Series 2009 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2009 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2009 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and Electronically transferred to the Commission on the dates required hereunder.

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

The Revenue Fund, the Series 2009 A Bonds Reserve Account and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2009 A Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Subject to the Prior Ordinances, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2009 A Bonds Reserve Account and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or in the Prior Ordinances, or unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. 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 interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2009 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by

resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2009 A Bonds, provide evidence that there will be at least 1,800 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2009 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2009 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2009 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2009 A Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Ordinances. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2009 A Bonds and the Prior Bonds and sufficient to make the payments required herein into

all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Ordinances. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2009 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 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 (unless less restrictive than the provisions of the Prior Ordinances).

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

So long as the Series 1977 Bonds or the Series 2009 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness.

So long as the Series 2007 A Bonds, series 2007 B Bonds, Series 2002 a Bonds, Series 2002 B Bonds, series 1998 Bonds , Series 1991 A Bonds, or Series 1990 A Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the 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 not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

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

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any 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 and the Prior Ordinances with respect to the Bonds then Outstanding, and any other payments provided for in this Ordinance and the Prior Ordinances, shall have been made in full as required to the date of issuance of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinances.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2009 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2009 A Bonds.

C. VEHICULAR PUBLIC LIABILITY INSURANCE, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of

vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Recorder of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2009 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2009 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act on a parity with the Series 1979 Bonds and Series 1986 C Bonds and senior and prior to the Series 1986 B Bonds and the Series 1996 A Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2009 A Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Series 2009 A Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2009 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

C. If a default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2009 A Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2009 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of adoption hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2009 A Bonds are outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on June 22, 2009 and the sewer rate ordinance duly enacted on January 2, 2002 which rates are incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

G. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

H. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

I. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder, and under the Prior Ordinances.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2009 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2009 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2009 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2009 A Bonds, the Issuer may not defease the Series 2009 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2009 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2009 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2009 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2009 A Bonds.

Section 7.05. Prior Ordinances; Conflicting Provisions Repealed. The Prior Ordinances and all parts thereof not hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Ordinances.

All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47) and the Prior Ordinances.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the *The Nicholas Chronicle*, being qualified newspapers of general circulation in the Town of Summersville, together with a notice stating that this Ordinance has been adopted, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

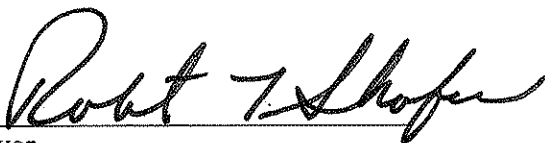
[Remainder of Page Intentionally Blank]

Section 7.09. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Passed on First Reading: August 10, 2009

Passed on Second Reading: August 24, 2009

Passed on Final Reading
Following Public Hearing: September 14, 2009



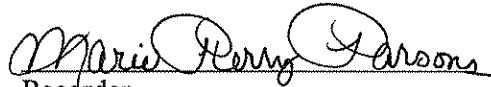
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Summersville on the 14th day of September, 2009.

Dated November 12, 2009

[SEAL]


Recorder

08.06.09
878730.00007

TOWN OF SUMMERSVILLE

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A;
and Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS
AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE,
REDEMPTION PROVISION, INTEREST RATE,
INTEREST AND PRINCIPAL PAYMENT DATES, SALE
PRICE AND OTHER TERMS OF THE COMBINED
WATERWORKS AND SEWERAGE SYSTEM REVENUE
BONDS, SERIES 2009 A AND THE COMBINED
WATERWORKS AND SEWERAGE SYSTEM REVENUE
BONDS, SERIES 2009 B OF THE TOWN OF
SUMMERSVILLE, AND MAKING OTHER PROVISIONS
AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Summersville (the "Issuer") has duly and officially adopted and enacted a bond ordinance, September 14, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND
CONSTRUCTION OF CERTAIN ADDITIONS,
BETTERMENTS AND IMPROVEMENTS TO THE
WASTEWATER PORTION OF THE EXISTING PUBLIC
COMBINED WATERWORKS AND SEWERAGE
FACILITIES OF THE TOWN OF SUMMERSVILLE, AND
THE FINANCING OF THE COST, NOT OTHERWISE
PROVIDED THEREOF, THROUGH THE ISSUANCE BY
THE TOWN OF NOT MORE THAN \$3,500,000 IN
AGGREGATE PRINCIPAL AMOUNT OF COMBINED
WATERWORKS AND SEWERAGE SYSTEM BONDS,
SERIES 2009 A (UNITED STATES DEPARTMENT OF
AGRICULTURE) IN ONE OR MORE SERIES; DEFINING
AND PRESCRIBING THE TERMS AND PROVISIONS OF
THE BONDS; PROVIDING GENERALLY FOR THE
RIGHTS AND REMEDIES OF AND SECURITY FOR THE
HOLDER OF THE BONDS; AND PROVIDING WHEN
THIS ORDINANCE SHALL TAKE EFFECT.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A, of the Issuer (the "Series 2009 A Bonds"), in one or more series in an aggregate principal amount not to exceed \$3,500,000, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$2,299,240 (the "Series 2009 A Bonds"). The Series 2009 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 3.375% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2009 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of \$8,967 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2009 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2009 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2009 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

B. Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered BR-1 in the principal amount of \$112,466 (the "Series 2009 B Bonds"). The Series 2009 B Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 3.375% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2009 B Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of \$439 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2009 B Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2009 B Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other

place as the Purchaser may designate after issuance of the Series 2009 B Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. 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 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2009 A Bonds and Series 2009 B Bonds may be delivered on or about November 12, 2009, to the Purchaser.

Section 3. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2009 A Bonds and Series 2009 B Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 4. Article II of the Ordinance is hereby revised and restated in its entirety.

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated maximum cost of \$6,427,140, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 Bonds hereby authorized shall be applied as provided in Article IV hereof.

The Cost of the Project is estimated not to exceed \$6,427,140 of which \$2,299,240 will be obtained from the proceeds of the Series 2009 A Bonds, \$112,466 will be obtained from the proceeds of the Series 2009 B Bonds, approximately \$858,294 from the proceeds of a grant from the Purchaser, \$1,500,000 from the proceeds of a Small Cities Block Grant, a grant of \$1,285,140 from the West Virginia Department of Environmental Protection Agency Abandoned Mine Lands and a grant of \$372,000 from the West Virginia Infrastructure & Jobs Development Council.

Section 5. Article VI of the Ordinance is hereby revised and restated in its entirety.

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with, and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

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

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

(3) Series 1977 Reserve Fund (established by the Prior Ordinances and continued hereby); and

(4) Series 2009 Construction Trust Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by Prior Ordinance), and shall be held by, the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2007 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 2007 A Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 2007 B Bonds Sinking Fund (established by the Prior Ordinances);

(4) Series 2007 B Bonds Reserve Account (established by the Prior Ordinances);

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

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

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

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

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

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

- (11)Series 1991 A Bonds Sinking Fund (established by the Prior Ordinances);
- (12)Series 1991 A Bonds Reserve Account (established by the Prior Ordinances);
- (13)Series 1991 B Bonds Sinking Fund (established by the Prior Ordinances);
- (14)Series 1991 B Bonds Reserve Account (established by the Prior Ordinances);
- (15)Series 1990 A Bonds Sinking Fund (established by the Prior Ordinances);
- (16)Series 1990 A Bonds Reserve Account (established by the Prior Ordinances);
- (17)Series 1990 B Bonds Sinking Fund (established by the Prior Ordinances);
- (18)Series 1990 B Bonds Reserve Account (established by the Prior Ordinances); and
- (19)Series 2009 A Bonds Reserve Account; and
- (20) Series 2009 B Bonds Reserve Account.

Section 4.03. Bond Proceeds; Construction Trust Fund. The proceeds of sale of the Series 2009 A Bonds and Series 2009 B Bonds shall be deposited upon receipt by the Issuer in the Series 2009 Construction Trust Fund. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2009 Construction Trust Fund shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2009 Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2009 Construction Trust Fund and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2009 A Bonds and Series 2009 B Bonds if there are not sufficient Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Series 2009 Construction Trust Fund shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2009 Construction Trust Fund shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds.

So long as any of the Series 2009 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the respective Series 2009 Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2009 Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2009 Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Ordinances.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

- (1) The Issuer shall next, each month, pay from monies in the Revenue Fund all current Operating Expenses.
- (2) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the interest payments on the Series 1991 A Bonds and Series 1990 A Bonds as required by the Prior Ordinances; (ii) remit to the National Finance Office the interest payments on the Series 1977 Bonds as required by Prior Ordinance; (iii) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the Series 2009 A Bonds; and (iv) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the Series 2009 B Bonds.
- (3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the principal payments on the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds and Series 1990 A Bonds, as required by the Prior Ordinances; (ii) remit to the National Finance Office the principal payments on the Series 1977 Bonds as required by Prior Ordinance; (iii) on or before the due date hereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2009 A Bonds, the amount required to amortize the principal of the Series 2009 A Bonds over the life of the bond issue; and (iv) on or before the due date hereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2009 B Bonds, the amount required to amortize the principal of the Series 2009 B Bonds over the life of the bond issue.
- (4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission for deposit in the respective reserve accounts for the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds and Series 1990 A Bonds, the amounts required by the Prior Ordinances to be deposited therein; (ii) remit to the Depository Bank for deposit in the Reserve Account the amount required by Prior Ordinance for the Series 1977 Bonds; (iii) remit to the Commission beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2009 A Bonds Reserve Account an amount equal to 10% of the monthly payment amount, until

the amount in the Series 2009 A Bonds Reserve Account equals the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 A Bonds Reserve Requirement; and (iv) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2009 B Bonds Reserve Account, 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2009 B Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2009 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve.

Moneys in the respective Series 2009 Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2009 Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2009 Bonds, or for mandatory prepayment of the Series 2009 Bonds as hereinafter provided, and for no other purpose; provided, however, that when the Minimum Reserve has been accumulated in the Series 2009 Bonds Reserve Account, all earnings of investments of moneys therein shall at least annually be transferred to and deposited in the Revenue Fund.

- (5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

- (6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Ordinance to pay principal on the Second Lien Bonds.
- (7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Ordinance for deposit in the respective reserve accounts for the Second Lien Bonds.
- (8) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein, may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the monies in the Series 2009 A Bonds Reserve Account shall be sufficient to prepay the Series 2009 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2009 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

Whenever the money in the Series 2009 B Bonds Reserve Account shall be sufficient to prepay the Series 2009 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2009 B Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2009 Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and Electronically transferred to the Commission on the dates required hereunder.

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

The Revenue Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Reserve Account and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2009 Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Subject to the Prior Ordinances, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Reserve Account and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or in the Prior Ordinances, or unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. 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 interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2009 Bonds Reserve Account so long as the Minimum Reserve is on deposit

and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2009 Bonds, provide evidence that there will be at least 1,800 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

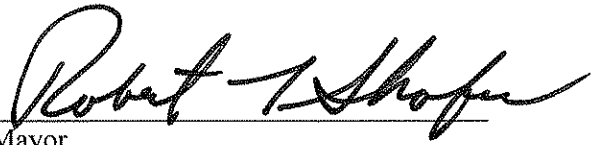
G. REMITTANCES. All remittances made by the Issuer to the Commission or the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

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

Section 6. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 7. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 13th day of October, 2009.



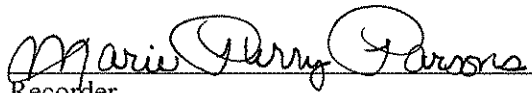
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Summersville on the 13th day of October, 2009.

Dated: November 12, 2009.

[SEAL]


Recorder

10.07.09
878730.00007

TOWN OF SUMMERSVILLE

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,299,240

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	November 12, 2009	United States Department of Agriculture	<i>Marie Perry Parsons</i>

TOWN OF SUMMERSVILLE

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$112,466

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
BR-1	November 12, 2009	United States Department of Agriculture	<i>Mari Perry Parsons</i>

SPECIMEN

TOWN OF SUMMERSVILLE

COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2009 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,299,240

No. AR-1

Date: November 12, 2009

FOR VALUE RECEIVED, the TOWN OF SUMMERSVILLE (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION TWO HUNDRED NINETY NINE THOUSAND TWO HUNDRED FORTY DOLLARS (\$2,299,240), plus interest on the unpaid principal balance at the rate of 3.375% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$8,968, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the combined waterworks and sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on

September 14, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on October 13, 2009 authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,682,265 (THE "SERIES 2007 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2007 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,661,505 (THE "SERIES 2002 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,388,495 (THE "SERIES 2002 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 6, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$639,000 (THE "SERIES 1998 A BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$790,057 (THE "SERIES 1991 A BONDS"); (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$281,848 (THE "SERIES 1990 A BONDS"); (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1977 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 4, 1981, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$290,000 (THE "SERIES 1977 BONDS"); AND (9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF 112,466 (THE "SERIES 2009 B BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS")

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$35,651 (THE "SERIES 1991 B BONDS"); AND (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$13,152 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

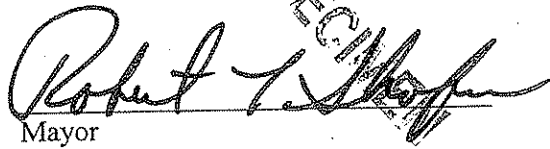
In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF SUMMERSVILLE has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF SUMMERSVILLE

[CORPORATE SEAL]


Mayor

ATTEST:


Recorder

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$45,143.72	11/12/09	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

SPECIMEN

TOWN OF SUMMERSVILLE

COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2009 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$112,466

No. BR-1

Date: November 12, 2009

FOR VALUE RECEIVED, the TOWN OF SUMMERSVILLE (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE HUNDRED TWELVE THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS (\$112,466), plus interest on the unpaid principal balance at the rate of 3.375% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$439, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly

or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the combined waterworks and sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on September 14, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on October 13, 2009 authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,682,265 (THE "SERIES 2007 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2007 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,661,505 (THE "SERIES 2002 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,388,495 (THE "SERIES 2002 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 6, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$639,000 (THE "SERIES 1998 A BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$790,057 (THE "SERIES 1991 A BONDS"); (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$281,848 (THE "SERIES 1990 A BONDS"); (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1977 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 4, 1981, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$290,000 (THE "SERIES 1977 BONDS"); AND (9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,299,240 (THE "SERIES 2009 A BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS")

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,

SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$35,651 (THE "SERIES 1991 B BONDS"); AND (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$13,152 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF SUMMERSVILLE has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF SUMMERSVILLE

[CORPORATE SEAL]


Mayor

ATTEST:

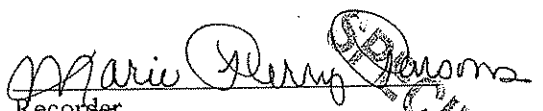

Recorder

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$112,466.00	11/12/09	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____
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 Borrower with full power of
substitution in the premises.

Dated: _____, _____.

In 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

November 12, 2009

Town of Summersville
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(United States Department of Agriculture)

Town of Summersville
Summersville, West Virginia

United States Department of Agriculture
Beckley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Summersville, in Nicholas County, West Virginia (the "Issuer"), of its \$2,299,240 Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A, dated the date hereof (the "Bond"), pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on September 14, 2009 as supplemented by Supplemental Resolution duly adopted on October 13, 2009 (collectively the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bond, pursuant to the provisions of the Act and other applicable provisions of law.
2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. Pursuant to the Act, the Bond Legislation creates a valid first lien on the pledge of Net Revenues of the System on a parity with the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15, 2007, issued in the original aggregate principal amount of \$8,682,265 (the "Series 2007 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated

10A

May 15, 2007, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2007 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505 (the "Series 2002 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of \$2,388,495 (the "Series 2002 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000 (the "Series 1998 A Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057 (the "Series 1991 A Bonds"); (7) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848 (the "Series 1990 A Bonds"); (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000 (the "Series 1977 Bonds"); and (9) Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B (United States Department of Agriculture), dated November 12, 2009, issued in the original aggregate principal amount of \$112,466 (the "Series 2009 B Bonds"), issued concurrently herewith, (collectively, the "First Lien Bonds") and senior and prior to the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651 (the "Series 1991 B Bonds"); and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152 (the "Series 1990 B Bonds") (collectively, the "Second Lien Bonds") The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds".

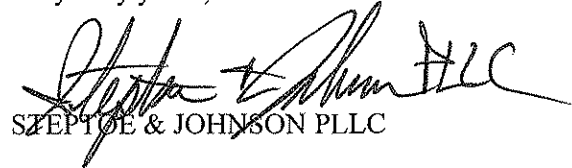
4. The Bond has been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from 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.

6. The Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and interest on the Bond is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holder of the Bond and the enforceability of the Bond, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



STEPH E & JOHNSON PLLC

10.06.09
878730.00007



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

November 12, 2009

Town of Summersville
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B
(United States Department of Agriculture)

Town of Summersville
Summersville, West Virginia

United States Department of Agriculture
Beckley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Summersville, in Nicholas County, West Virginia (the "Issuer"), of its \$112,466 Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B, dated the date hereof (the "Bond"), pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on September 14, 2009 as supplemented by Supplemental Resolution duly adopted on October 13, 2009 (collectively the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bond, pursuant to the provisions of the Act and other applicable provisions of law.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

10B

3. Pursuant to the Act, the Bond Legislation creates a valid first lien on the pledge of Net Revenues of the System on a parity with the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15, 2007, issued in the original aggregate principal amount of \$8,682,265 (the "Series 2007 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated May 15, 2007, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2007 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505 (the "Series 2002 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of \$2,388,495 (the "Series 2002 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000 (the "Series 1998 A Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057 (the "Series 1991 A Bonds"); (7) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848 (the "Series 1990 A Bonds"); (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000 (the "Series 1977 Bonds"); and (9) Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture), dated November 12, 2009, issued in the original aggregate principal amount of \$2,299,240 (the "Series 2009 A Bonds"), issued concurrently herewith, (collectively, the "First Lien Bonds") and senior and prior to the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651 (the "Series 1991 B Bonds"); and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152 (the "Series 1990 B Bonds") (collectively, the "Second Lien Bonds") The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds".

4. The Bond has been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from 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.

6. The Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and interest on the Bond is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holder of the Bond and the enforceability of the Bond, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



STEPH E JOHNSON PLLC

10.06.09
878730.00007

LAW OFFICE OF
GREGORY A. TUCKER, P.L.L.C.
719 MAIN STREET
SUMMERSVILLE, WEST VIRGINIA 26651

GREGORY A. TUCKER

TELEPHONE: (304) 872-2500
FAX: (304) 872-1188

November 12, 2009

City of Summersville
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B
(United States Department of Agriculture)

City of Summersville
Summersville, West Virginia

United States Department of Agriculture
Beckley, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Summersville, a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State (the "Issuer"). As such counsel, I have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond ordinance of the Issuer duly enacted on September 14, 2009 as supplemented by Supplemental Resolution duly adopted by the Issuer on October 13, 2009 (collectively, the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a municipal corporation and a political subdivision of the State of West Virginia.

2. The Mayor, Recorder and members of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

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

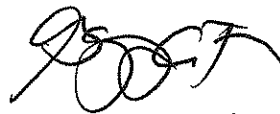
4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from the Public Service Commission of West Virginia, and the Issuer has duly taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges, the time for appeal of which has expired prior to the date hereof without appeal.

6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, or 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.

Respectfully,

A handwritten signature in black ink, appearing to read 'GAT', with a stylized flourish at the end.

Gregory A. Tucker

GAT:bh

TOWN OF SUMMERSVILLE

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BOND
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES, ETC.
6. CERTIFICATION OF COPIES OF DOCUMENTS
7. INCUMBENCY AND OFFICIAL NAME, ETC.
8. DELIVERY AND PAYMENT AND USE OF PROCEEDS
9. LAND AND RIGHTS OF WAY
10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
11. CONTRACTORS' INSURANCE, ETC.
12. CONNECTIONS, ETC.
13. MANAGEMENT
14. GRANTS
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the Town of Summersville, in Nicholas County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify this 12th day of November, 2009 in connection with the Town of Summersville Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$2,299,240, and bearing interest at the rate of 3.375% per annum (the "Series 2009 A Bonds") and Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B (United States Department of Agriculture), No. BR-1, fully registered, dated the date hereof, in the principal amount of \$112,466, and bearing interest at the rate of 3.375% per annum (the "Series 2009 B Bonds") (collectively, the "Series 2009 Bonds" or the "Bonds"), as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bonds has been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on the 14th day of September, 2009 as supplemented by Supplemental Resolution duly adopted on October 13, 2009, authorizing issuance of the Bonds (collectively the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as

defined in the Bond Ordinance when used herein. The Bonds are being issued on this date to permanently finance a portion of the acquisition and construction of the Project located within the boundaries of the Issuer.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bonds or receipt of any grant moneys committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bond; nor in any way questioning or affecting the validity of the grants committed for the System or the Bond, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any moneys or security therefor; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the waterworks system of the Issuer (the waterworks, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the acquisition and construction of the Project being financed in part out of the proceeds of sale of the Bond; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

The Issuer has the following outstanding obligations: (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15, 2007, issued in the original aggregate principal amount of \$8,682,265 (the "Series 2007 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated May 15, 2007, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2007 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505 (the "Series 2002 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of \$2,388,495 (the "Series 2002 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000 (the "Series 1998 A Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057 (the "Series 1991 A Bonds"); (7) Combined Waterworks

and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848 (the "Series 1990 A Bonds"); and (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000 (the "Series 1977 Bonds") (collectively, the "First Lien Bonds"); and (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651 (the "Series 1991 B Bonds"); and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152 (the "Series 1990 B Bonds") (collectively, the "Second Lien Bonds") The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2009 Bonds shall be issued on a parity with the First Lien Bonds. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Bonds are met; (ii) the written consent of the Holders of the First Lien Bonds to the issuance of the Series 2009 Bonds on a parity with the First Lien Bonds; (iii) the written consent of the Holders of the Second Lien Bonds to the issuance of the Series 2009 Bonds senior and prior to the Second Lien Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

5. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer.

6. 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, supplemented or changed in any way unless modification appears from later documents also listed below.

Town Charter

Oaths of Office of Officers and Council members

Bond Ordinance

Sewer Rate Ordinance & Water Rate Ordinance

Affidavit of Publication on Rate Ordinances

Minutes on Adoption and Enactment of Rate Ordinances

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture of Conditions and all amendments thereto

Public Service Commission Order

Evidence of Abandoned Mine Lands Grant

Evidence of Small Cities Block Grant

West Virginia Infrastructure & Jobs Development Council Grant Agreement

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Town of Summersville" and it is a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State. The governing body of the Issuer is its Council presently consisting of 7 council members and a Mayor and Recorder, all duly elected, qualified and serving, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Robert L. Shafer, Mayor	July 1, 2007	June 30, 2011
Marie Perry Parsons, Recorder	July 1, 2007	June 30, 2011
Josephine Heater	July 1, 2007	June 30, 2011
Kenneth Baker	July 1, 2007	June 30, 2011
Mike Steadham	July 1, 2007	June 30, 2011
Joe Rapp	July 1, 2007	June 30, 2011
H. Stephen Boone	July 1, 2007	June 30, 2011
Jeff Asbury	July 1, 2007	June 30, 2011
Dr. John Lackey	July 1, 2007	June 30, 2011

The duly appointed and acting Counsel to the Issuer is Gregory A. Tucker, P.L.L.C., of Summersville, West Virginia.

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Series 2009 Bonds were delivered to the Purchaser at Summersville, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Series 2009

Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

At the time of delivery of the Series 2009 A Bond, the amount of \$45,143.72 was received by the undersigned Mayor, being a portion of the principal amount of the Series 2009 A Bonds, the balance to be paid as acquisition and construction of the Project progresses.

The Series 2009 A Bonds are dated the date hereof and interest on advances thereon at the rate of 3.375% per annum is payable from the date of each respective advance.

The Series 2009 A Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

At the time of delivery of the Series 2009 B Bond, the amount of \$112,466.00 was received by the undersigned Mayor, being a portion of the principal amount of the Series 2009 B Bonds, the balance to be paid as acquisition and construction of the Project progresses.

The Series 2009 B Bonds are dated the date hereof and interest on advances thereon at the rate of 3.375% per annum is payable from the date of each respective advance.

The Series 2009 B Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

9. LAND AND RIGHTS OF WAY: All land in fee simple and all rights of way and easements necessary for the acquisition and construction of the Project, the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the acquisition, construction, operation and financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any 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 published and/or posted were so published and/or posted.

11. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk

insurance where applicable, in accordance with the Letter of Conditions and Commitment of the Purchaser, as amended, and the Bond Ordinance. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code.

12. CONNECTIONS, ETC.: The Issuer will serve at least 1,800 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

13. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by the Purchaser.

14. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Ordinance and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Ordinance. 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.

15. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

16. 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 Left Blank]

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

[CORPORATE SEAL]

SIGNATURE

Robert Z. Shif
Marie Perry Jensen

OFFICIAL TITLE

Mayor

Recorder

Counsel to Issuer

10.06.09
878730.00007

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

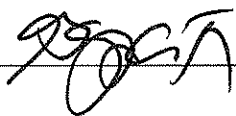
[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Mayor

Recorder

A handwritten signature in black ink, appearing to be 'R. J. Smith', is written over the signature line.

Counsel to Issuer

TOWN OF SUMMERSVILLE

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B
(United States Department of Agriculture)

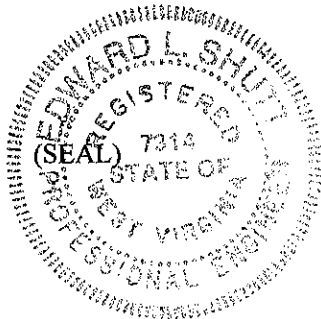
ENGINEER'S CERTIFICATE

I, Edward L. Shutt, Registered Professional Engineer, West Virginia License No. 7314, of Stafford Consultants, Inc., Princeton, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements and extensions to the water portion of the existing combined waterworks and sewerage system (the "Project") of the Town of Summersville (the "Issuer"), to be acquired and constructed in Nicholas County, West Virginia, which acquisition and construction are being financed in part by the above-captioned revenue bond of the Issuer.

I further certify that the Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm and that such system and Project are situate wholly or chiefly within the service territory of the Issuer.

I further certify that the Project is adequate for the purposes for which it was designed and that all necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

WITNESS my signature on this 12th day of November, 2009.



STAFFORD CONSULTANTS, INC.

A handwritten signature of Edward L. Shutt in black ink.

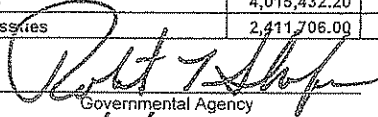
Edward L. Shutt, P.E.
West Virginia License No. 7314

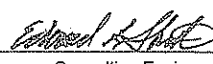
10.07.09
878730.00007

City of Summersville
Glade Creek Water Phase IIA Project
Schedule B FINAL October 2009

Preliminary Cost of Project, Sources of Funds, and Cost of Financing

A. Cost of Project	Total	SCBG	AML	RUS	IJDC Grant
1. Construction Costs	5,513,583.00	1,314,420.47	1,285,138.20	2,578,864.33	335,160.00
C#1 Low Glade Ck/Armstrong/Tanglewood	632,156.00			632,156.00	
C#2 Maria Estates	882,739.00			882,739.00	
C#3A Phillips Run/Old Muddlety Non AML	902,966.00	457,661.67		445,304.33	
C#3A Phillips Run/Old Muddlety AML	1,883,897.00	753,558.80	1,130,338.20	0.00	
C#3B Water Storage Tank AML	258,000.00	103,200.00	154,800.00	0.00	
C#5A McMillion Creek	663,825.00			461,165.00	202,660.00
Construction Contingency (5%)	265,000.00			132,500.00	132,500.00
Equipment	25,000.00			25,000.00	
2. Technical Services	426,640.00	120,000.00	0.00	269,800.00	36,840.00
a. Engineering Preliminary Design	55,470.00	55,470.00		0.00	
b. Engineering Final Design	36,600.00	36,500.00		0.00	
c. Bidding	55,470.00	5,475.00		49,995.00	
d. Construction Administration	34,720.00			34,720.00	
e. Special Services	26,000.00	22,555.00		3,445.00	
1. Soils Investigation	7,000.00	6,055.00		945.00	
2. Property Surveys	8,500.00	8,500.00			
3. Easement Maps	8,000.00	8,000.00			
4. Record Drawings	2,500.00			2,500.00	
f. Inspection	181,640.00			181,640.00	
g. C#5A -Deduct Engineering Services	36,840.00				36,840.00
3. Legal and Fiscal	50,500.00	10,500.00	0.00	40,000.00	0.00
a. Attorneys Fees (Easements, PSC, etc)	40,000.00			40,000.00	
b. Accountant (Rule 42)	10,500.00	10,500.00			
4. Administration	51,000.00	51,000.00	0.00	0.00	0.00
a. Region 4 PDC	50,000.00	50,000.00			
b. Tap Fees- 10 @ \$100	1,000.00	1,000.00			
5. Sites and Other Lands	92,800.00	0.00	0.00	92,800.00	0.00
a. Tank Site	60,000.00			60,000.00	
b. Tank Site Surveying/Power	7,800.00			7,800.00	
c. Land Acquisition/Condemnation	25,000.00			25,000.00	
6. Other Costs	148,579.53	4,079.53	0.00	144,500.00	0.00
a. Legal Ads	2,379.53	2,379.53			
b. Permits - Health Dept.	300.00	300.00			
c. Permits - NPDES	2,900.00	1,400.00		1,500.00	
d. DOH inspection fees	40,500.00			40,500.00	
e. Interest	87,500.00			87,500.00	
f. Interim Financing	15,000.00			15,000.00	
7. Contingency	122,035.67			122,035.67	0.00
8. Total of Lines 1 through 7	6,405,138.20	1,500,000.00	1,285,138.20	3,248,000.00	372,000.00
B. Cost of Financing					
9. Bond Counsel	22,000.00			22,000.00	
10. Registrar Fee	0.00				
11. Total Project Cost (Total Lines 8, 9 and 10)	6,427,138.20	1,500,000.00	1,285,138.20	3,270,000.00	372,000.00
C. Sources of Funds					
12. Small Cities CDBG	1,500,000.00				
13. AML Grant	1,285,138.20				
14. USDA RUS Grant	858,294.00				
15. USDA RUS Loan	2,299,240.00				
16. USDA RUS Farm Bill Loan	112,466.00				
17. IJDC Grant	372,000.00				
18. Total Grants	4,015,432.20				
19. Size of Bond Issues	2,411,706.00				


 Governmental Agency
 11/4/09
 Date


 Consulting Engineer
 11/2/09
 Date



Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants

Oak Hill

Charleston

Montgomery

405 Capitol Street • Suite 908 • Charleston, WV 25301 • 304-345-1151 • Fax 304-346-6731

November 12, 2009

Town of Summersville

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B
(United States Department of Agriculture)

Town of Summersville
Summersville, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the sewer rate ordinance of the Town of Summersville (the "Issuer") enacted January 2, 2002, and the water rate ordinance of the Issuer enacted June 22, 2009, and the projected operating expenses and anticipated customer usage as furnished to us by Stafford Consultants, Inc., the Consulting Engineer to the Issuer, it is our opinion that such rates and charges will be sufficient to provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 115% of the annual debt service on the Prior Bonds, as defined in the Bond Ordinance, the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (United States Department of Agriculture) (the "Series 2009 A Bonds") and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B (United States Department of Agriculture) (the "Series 2009 B Bonds") (collectively, the "Series 2009 Bonds"), and sufficient to make the payments into the (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15, 2007, issued in the original aggregate principal amount of \$8,682,265 (the "Series 2007 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated May 15, 2007, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2007 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505 (the "Series 2002 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of

\$2,388,495 (the "Series 2002 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000 (the "Series 1998 A Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057 (the "Series 1991 A Bonds"); (7) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848 (the "Series 1990 A Bonds"); and (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000 (the "Series 1977 Bonds") (collectively, the "First Lien Bonds") and (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651 (the "Series 1991 B Bonds"); and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152 (the "Series 1990 B Bonds") (collectively, the "Second Lien Bonds"). The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

It is our further opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2009 Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds, the Series 2009 Bonds, and (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,

Smith Cochran & Hicks

SMITH, COCHRAN & HICKS, P.L.L.C.

WV MUNICIPAL BOND COMMISSION

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

NEW ISSUE REPORT FORMDate of Report: 12-Nov-09

ISSUE: <u>Town of Summersville</u>	
<u>Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (USDA)</u>	
ADDRESS: <u>400 North Broad Street, Summersville, WV 26651</u>	COUNTY: <u>Nicholas</u>
PURPOSE OF ISSUE:	
New Money: <u>x</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
Refunding: _____	CLOSING DATE: <u>12-Nov-09</u>
ISSUE DATE: <u>12-Nov-09</u>	RATE: <u>NA</u>
ISSUE AMOUNT: <u>\$2,299,240</u>	1ST PRINCIPAL DUE <u>NA</u>
1ST DEBT SERVICE DUE: <u>NA</u>	PAYING AGENT: <u>Issuer</u>
1ST DEBT SERVICE AMOUNT <u>NA</u>	

BOND COUNSEL:

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

CLOSING BANK:

Bank: First Community Bank
Contact: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact: Robert L. Shafer
Position: Mayor
Phone: 304.872.1211

UNDERWRITERS COUNSEL

Firm: _____
Contact: _____
Phone: _____

ESCROW TRUSTEE:

Firm: _____
Contact: _____
Phone: _____

OTHER:

Agency: United States Department of Agriculture
Contact: Teresa Miller
Position: Rural Development Specialist
Phone: 304.252.8644

DEPOSITS TO MBC AT CLOSE

By: _____ Wire	Accrued Interest: \$ _____
_____ Check	Capitalized Interest: \$ _____
	Reserve Account: \$ _____
	Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

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

NOTES: Monthly debt service payments will be made directly to the National Finance Office. The Municipal Bond Commission will only hold the Series 2009 A Bonds Reserve Account. Payments into the Series 2009 A Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

WV MUNICIPAL BOND COMMISSION

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

NEW ISSUE REPORT FORMDate of Report: 12-Nov-09

ISSUE: <u>Town of Summersville</u>	
<u>Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 B (USDA)</u>	
ADDRESS: <u>400 North Broad Street, Summersville, WV 26651</u>	COUNTY: <u>Nicholas</u>
PURPOSE OF ISSUE:	
New Money: <u>x</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
Refunding: _____	CLOSING DATE: <u>12-Nov-09</u>
ISSUE DATE: <u>12-Nov-09</u>	RATE: <u>NA</u>
ISSUE AMOUNT: <u>\$112,466</u>	1ST PRINCIPAL DUE <u>NA</u>
1ST DEBT SERVICE DUE: <u>NA</u>	PAYING AGENT: <u>Issuer</u>
1ST DEBT SERVICE AMOUNT <u>NA</u>	

BOND COUNSEL:

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

CLOSING BANK:

Bank: First Community Bank
Contact: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact: Robert L. Shafer
Position: Mayor
Phone: 304.872.1211

UNDERWRITERS COUNSEL

Firm: _____
Contact: _____
Phone: _____

ESCROW TRUSTEE:

Firm: _____
Contact: _____
Phone: _____

OTHER:

Agency: United States Department of Agriculture
Contact: Teresa Miller
Position: Rural Development Specialist
Phone: 304.252.8644

DEPOSITS TO MBC AT CLOSE

By: _____	Wire _____	Accrued Interest: \$ _____
_____	Check _____	Capitalized Interest: \$ _____
		Reserve Account: \$ _____
		Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

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

NOTES: Monthly debt service payments will be made directly to the National Finance Office. The Municipal Bond Commission will only hold the Series 2009 B Bonds Reserve Account. Payments into the Series 2009 B Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

GRANT AGREEMENT
(2003W-735)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the TOWN OF SUMMERSVILLE (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$372,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit B attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit A, unless the Council and Authority are provided replacement instructions in writing.

5. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

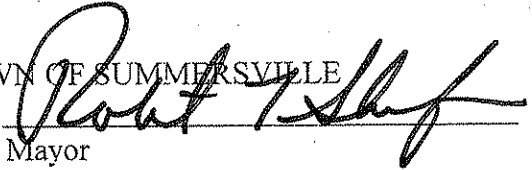
7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

TOWN OF SUMMERSVILLE

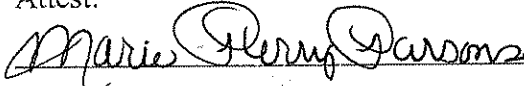
By: 

Its: Mayor

Date: November 12, 2009

(SEAL)

Attest:



Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

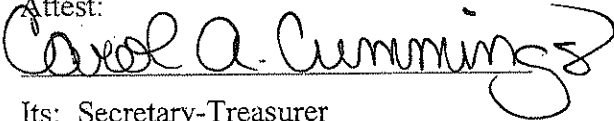
By: 

Its: Executive Director

Date: November 12, 2009

(SEAL)

Attest:



Its: Secretary-Treasurer

SWEEP RESOLUTION

Town of Summersville

WHEREAS, The Town of Summersville (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 or will make monthly debt service payments on and transfers reserve funds for 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 finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly administrative fees debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

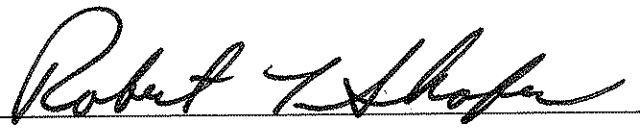
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly administrative fees debt service payments on and reserve funds for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A to the extent funds are available in such form and at such directions as are provided by the MBC.

2) The Mayor and Recorder are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 12th day of November, 2009.



Mayor

TOWN OF SUMMERSVILLE

COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2009 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

NOTE ORDINANCE

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

- Section 1.01. Authority for this Ordinance
- Section 1.02. Findings
- Section 1.03. Note Legislation Constitutes Contract
- Section 1.04. Definitions

ARTICLE II

AUTHORIZATION OF THE PROJECT

- Section 2.01. Authorization of the Project

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF NOTES; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

- Section 3.01. Authorization of Notes
- Section 3.02. Terms of Notes
- Section 3.03. Execution of Notes
- Section 3.04. Authentication and Registration
- Section 3.05. Negotiability, Transfer and Registration
- Section 3.06. Notes Mutilated, Destroyed, Stolen or Lost
- Section 3.07. Notes not to be Indebtedness of the Issuer

- Section 3.08. Notes Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds
- Section 3.09. Delivery of Notes
- Section 3.10. Form of Series 2009 A Notes
- Section 3.11. Sale of Notes; Approval and Ratification of Execution of Loan Agreement
- Section 3.12. Filing of Amended Schedule

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

ARTICLE VI

NOTE PROCEEDS; DISBURSEMENTS

- Section 6.01. Application of Note Proceeds; Pledge of Unexpended Note Proceeds
- Section 6.02. Disbursements From the Series 2009 A Notes Trust Fund

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

- Section 7.01. General Covenants of the Issuer
- Section 7.02. Notes not to be Indebtedness of the Issuer
- Section 7.03. Notes Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds
- Section 7.04. Rates and Charges
- Section 7.05. Sale of the System
- Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
- Section 7.07. Parity Bonds
- Section 7.08. Books; Records and Audit
- Section 7.09. Rates
- Section 7.10. Operating Budget and Monthly Financial Report

<u>Section 7.11.</u>	Engineering Services and Operating Personnel
<u>Section 7.12.</u>	No Competing Franchise
<u>Section 7.13.</u>	Enforcement of Collections
<u>Section 7.14.</u>	No Free Services
<u>Section 7.15.</u>	Insurance and Construction Bonds
<u>Section 7.16.</u>	Connections
<u>Section 7.17.</u>	Completion of Project; Permits and Orders
<u>Section 7.18.</u>	Tax Covenants
<u>Section 7.19.</u>	Statutory Mortgage Lien
<u>Section 7.20.</u>	Compliance with Loan Agreement and Law
<u>Section 7.21.</u>	Securities Laws Compliance
<u>Section 7.22.</u>	Contracts; Change Orders; Public Releases

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

<u>Section 8.01.</u>	Investments
<u>Section 8.02.</u>	Certificate and Covenants as to Use of Proceeds

ARTICLE IX

DEFAULT AND REMEDIES

<u>Section 9.01.</u>	Events of Default
<u>Section 9.02.</u>	Remedies
<u>Section 9.03.</u>	Appointment of Receiver

ARTICLE X

PAYMENT OF NOTES

<u>Section 10.01.</u>	Payment of Series 2009 A Notes
-----------------------	--------------------------------

ARTICLE XI

MISCELLANEOUS

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

TOWN OF SUMMERSVILLE

CONFORMED NOTE ORDINANCE

ORDINANCE AUTHORIZING THE COMPLETION OF THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF SUMMERSVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,300,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2009 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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 "Note Legislation"), is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 22C, Article 1 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 Summersville (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State.

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of the completion of the acquisition and construction of a new water treatment plant, connection of the new plant to the System and a raw water intake on Summersville Lake together with all necessary appurtenances (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. Based on bids, the Project was budgeted to cost \$11,000,000 of which \$4,661,505 was obtained from the proceeds of the Series 2002 A Bonds, as hereinafter defined, \$2,388,495 was obtained from the proceeds of the Series 2002 B Bonds as hereinafter defined, \$1,500,000 was obtained from proceeds of an Appalachian Regional Commission grant, \$1,500,000 was obtained from proceeds of a U.S. Economic Development Administration grant and \$950,000 was obtained as a contribution from the Issuer.

D. Due to cost overruns, the total cost of the Project has been revised to \$12,300,000 of which \$4,661,505 was obtained from the proceeds of the Series 2002 A Bonds, \$2,388,495 was obtained from the proceeds of the Series 2002 B Bonds, \$1,500,000 was obtained from proceeds of an Appalachian Regional Commission grant, \$1,500,000 was obtained from proceeds of a U.S. Economic Development Administration grant, \$950,000 was obtained as a contribution from the Issuer and an addition amount not to exceed \$1,300,000 will be temporarily obtained from the proceed of the Series 2009 A Notes. The majority of the Project has been completed as contemplated in the Bond Ordinance of the Issuer dated December 18, 2002 authorizing the Series 2002 A Bonds and the Series 2002 B Bonds.

E. The cost of completion of the Project is \$1,300,000 a portion of which will be temporarily obtained from the proceeds of the Series 2009 A Notes, which notes will be paid from proceeds of future bonds expected to be issued to the Authority on behalf of the West Virginia Infrastructure & Jobs Development Council.

F. The Issuer shall issue future bonds in an amount necessary to pay the Series 2009 A Notes at or before maturity.

G. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2009 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than \$1,300,000 (the "Series 2009 A Notes"), to be initially represented by a single note, to temporarily finance the costs of the Project. The costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; capitalized interest, if any, on the Series 2009 A Notes; engineering and legal expenses;

expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 A Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the Project, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 A Notes or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

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

I. It is in the best interests of the Issuer that its Series 2009 A Notes be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and between the Issuer and the Authority, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

I. There are outstanding obligations of the Issuer which are secured by the Net Revenues of the System, being the Issuer's (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15, 2007, issued in the original aggregate principal amount of \$8,682,265 (the "Series 2007 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated May 15, 2007, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2007 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505 (the "Series 2002 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of \$2,388,495 (the "Series 2002 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000 (the "Series 1998 A Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057 (the "Series 1991 A Bonds"); (7) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848 (the "Series 1990 A Bonds"); and (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000 (the "Series 1977 Bonds") (collectively, the "First Lien Bonds") and (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651 (the "Series 1991 B Bonds"); and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152 (the "Series 1990 B Bonds") (collectively, the "Second Lien

Bonds") The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds." The Prior Bonds are secured by Net Revenues of the System.

The Series 2009 A Notes are secured by future revenue bonds of the Issuer and Surplus Revenues. The Series 2009 A Notes have no lien on Net Revenues or Gross Revenues of the System. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

J. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinances (as hereinafter defined).

K. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the Project and the System and issuance of the Series 2009 A Notes, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining approval from the Public Service Commission of West Virginia by final order.

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

Section 1.03. Note Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 A Notes by the Registered Owners of the same from time to time, this Note Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Notes.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 A Notes, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2009 A Notes for all or a portion of the proceeds of the Series 2009 A Notes from the Authority.

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

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

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

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

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

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

"First Lien Bonds" means the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds, Series 1990 A Bonds and Series 1977 Bonds.

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

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

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

"Grant" means any Grant received by the Issuer for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenue" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees as hereinafter defined.

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

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

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

"Loan Agreement" means the loan agreement heretofore entered, or to be entered into by and between the Issuer and the Authority, providing for the purchase of the Series 2009 A Notes, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2009 A Notes, plus accrued interest and premium, if any, less original issue discount, if any.

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

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

"Notes" means, collectively, the Series 2009 A Notes and, where appropriate, any notes on a parity therewith subsequently authorized to be issued hereunder or by any other ordinance of the Issuer.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to the pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principals; provided, that "Operating Expenses" does not include payments on account of principal of

or redemption, if any, or interest on the Notes, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of the capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"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 Registrar or Registrar for Prior Bonds, 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 and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders or Holders of any Prior Bond, any Bond or any Prior Bond registered to the Issuer.

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2009 A Notes by the Issuer in the Supplemental Resolution with the written consent of the Authority.

"Prior Bonds" means, collectively, the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds, Series 1991 B Bonds, Series 1990 A Bonds, Series 1990 B Bonds and Series 1977 Bonds.

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

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

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

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government

National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above, or fully insured by FDIC with member banks of the Federal Reserve System 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.

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

"Recorder" means the Recorder of the Issuer.

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

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

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Prior Bonds.

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

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

"Second Lien Bonds" means the Series 1991 B Bonds and the Series 1990 B Bonds.

"Series 2007 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated May 15, 2007, issued in the original aggregate principal amount of \$8,682,265.

"Series 2007 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2007 B (West Virginia SRF Program), dated May 15, 2007, issued in the original aggregate principal amount of \$2,000,000.

"Series 2002 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated December 18, 2002, issued in the original aggregate principal amount of \$4,661,505.

"Series 2002 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia DWTRF Program), dated December 18, 2002, issued in the original aggregate principal amount of \$2,388,495.

"Series 1998 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1998 A (West Virginia Infrastructure Fund), dated January 6, 1998, issued in the original aggregate principal amount of \$639,000.

"Series 1991 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$790,057.

"Series 1991 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated August 13, 1991, issued in the original aggregate principal amount of \$35,651.

"Series 1990 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$281,848.

"Series 1990 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated April 6, 1990, issued in the original aggregate principal amount of \$13,152.

"Series 1977 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1977 (United States Department of Agriculture), dated August 4, 1981, issued in the original aggregate principal amount of \$290,000.

"Series 2009 A Notes" means the Combined Waterworks and Sewerage System Bond Anticipation Note, Series 2009 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 2009 A Notes Trust Fund" means the Series 2009 A Notes Trust Fund established by Section 5.01 hereof.

"Series 2009 A Notes Sinking Fund" means the Series 2009 A Notes Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2009 A Notes and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2009 A Notes; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2009 A Notes, and not so included may be included in another Supplemental Resolution.

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

"System" means the existing combined waterworks and sewerage system of the Issuer, as expanded and improved by the Project, and includes the complete waterworks and sewerage system of the Issuer and all waterworks and sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after the completion of the Project.

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

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 PROJECT

Section 2.01. Authorization of the Project. Based on bids, the Project was budgeted to cost \$11,000,000 of which \$4,661,505 was obtained from the proceeds of the Series 2002 A Bonds, as hereinafter defined, \$2,388,495 was obtained from the proceeds of the Series 2002 B Bonds as hereinafter defined, \$1,500,000 was obtained from proceeds of an Appalachian Regional Commission grant, \$1,500,000 was obtained from proceeds of a U.S. Economic Development Administration grant and \$950,000 was obtained as a contribution from the Issuer.

Due to cost overruns, the total cost of the Project has been revised to \$12,300,000 of which \$4,661,505 was obtained from the proceeds of the Series 2002 A Bonds, \$2,388,495 was obtained from the proceeds of the Series 2002 B Bonds, \$1,500,000 was obtained from proceeds of an Appalachian Regional Commission grant, \$1,500,000 was obtained from proceeds of a U.S. Economic Development Administration grant, \$950,000 was obtained as a contribution from the Issuer and an addition amount not to exceed \$1,300,000 will be temporarily obtained from the proceed of the Series 2009 A Notes. The majority of the Project has been completed as contemplated in the Bond Ordinance of the Issuer dated December 18, 2002 authorizing the Series 2002 A Bonds and the Series 2002 B Bonds.

There is hereby authorized and ordered completion of the Project at an estimated cost of not to exceed \$12,300,000 of which \$4,661,505 was obtained from the proceeds of the Series 2002 A Bonds, \$2,388,495 was obtained from the proceeds of the Series 2002 B Bonds, \$1,500,000 was obtained from proceeds of an Appalachian Regional Commission grant, \$1,500,000 was obtained from proceeds of a U.S. Economic Development Administration grant, \$950,000 was obtained as a contribution from the Issuer and an addition amount not to exceed \$1,300,000 will be temporarily obtained from the proceed of the Series 2009 A Notes. The proceeds of the Series 2009 A Notes hereby authorized shall be applied as provided in Article VI hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF NOTES; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Notes. For the purposes of capitalizing interest on the Series 2009 A Notes, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 A Notes and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2009 A Notes of the Issuer. The Series 2009 A Notes shall be issued as a single note, designated "Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2009 A (West Virginia Water Development Authority)", in the principal amount of not more than \$1,300,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 A Notes remaining after capitalizing interest on the Series 2009 A Notes, if any, shall be deposited in or credited to the Series 2009 A Notes Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Notes. The Series 2009 A Notes shall be issued in such principal amounts; shall bear interest, at such rate or rates, not exceeding the then legal maximum rate, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2009 A Notes shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2009 A Notes shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 A Notes shall initially be issued in the form of a single note, fully registered to the Authority, representing the aggregate principal amount of the Series 2009 A Notes, and shall mature in 36 months with principal payable upon maturity, all as provided in the Supplemental Resolution. The Series 2009 A Notes shall be exchangeable at the option and expense of the Registered Owner for another fully registered Note or Notes of the same series in aggregate principal amount equal to the amount of said Notes then Outstanding and being exchanged, provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Notes, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Notes shall be dated and shall have such terms as specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Notes. The Series 2009 A Notes shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2009 A Notes shall cease to be such officer of the Issuer before the Series 2009 A Notes so signed and sealed have been actually sold and delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. Any Series 2009 A Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Notes shall hold the proper office in the Issuer, although at the date of such Notes such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Registrar for the Series 2009 A Notes shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2009 A Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Note Legislation unless and until the Certificate of Authentication and Registration on such Note, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Note shall be conclusive evidence that such Note has been authenticated, registered and delivered under this Note Legislation. The Certificate of Authentication and Registration on any Series 2009 A Note shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Notes issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 A Notes 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 2009 A Notes shall be conclusively deemed to have agreed that such Notes 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 Notes shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 A Notes remain outstanding, the Issuer, through the Registrar or its agent, shall keep and maintain books for the registration and transfer of such Notes.

The registered Series 2009 A Notes shall be transferable only upon the books of the 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 Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2009 A Notes or transferring the registered Series 2009 A Notes are exercised, all Series 2009 A Notes shall be delivered in accordance with the provisions of this Note Legislation. All Series 2009 A Notes surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar.

For every such exchange or transfer of Series 2009 A Notes, the 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 Note upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Registrar shall not be obliged to make any such exchange or transfer of Series 2009 A Notes during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 A Notes or, in the case of any proposed redemption of Series 2009 A Notes, next preceding the date of the selection of Notes to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Notes Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 A Note shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Note of the same series and of like tenor as the Notes so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note, upon surrender and cancellation of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Notes so surrendered shall be cancelled by the Registrar and held for the account of the Issuer. If any such Note shall have matured or be about to mature, instead of issuing a substitute Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Notes not to be Indebtedness of the Issuer. The Series 2009 A Notes shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from future revenue bonds of the Issuer and Surplus Revenues of the System as herein provided. No holder or holders of the Series 2009 A Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 A Notes or the interest thereon.

Section 3.08. Notes Secured by Pledge of Future Bond Proceeds and Surplus Revenues. The payment of the debt service of all Series 2009 A Notes shall be secured by a first lien on the future bond proceeds received subsequent to the issuance of the Series 2009 A Note to permanently finance the Project and Surplus Revenues derived from the System. Unless the Series 2009 A Notes are repaid, the Issuer shall not issue additional debt secured by either the Net or Surplus Revenues of the System without the prior written consent of the Authority.

Section 3.09. Delivery of Notes. The Issuer shall execute and deliver the Series 2009 A Notes to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2009 A Notes 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 2009 A Notes are to be registered upon original issuance, together with such taxpayer identification

and other information as the Registrar may reasonably require;

B. A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2009 A Notes to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2009 A Notes.

Section 3.10. Form of Series 2009 A Notes. The text of the Series 2009 A Notes shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2009 A NOTE)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF SUMMERSVILLE
COMBINED WATERWORKS AND SEWERAGE SYSTEM
BOND ANTICIPATION NOTE, SERIES 2009 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this ____ day of _____, 2009, the TOWN OF SUMMERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), on _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference on the maturity date of _____, 2012.

This Note shall bear interest at the rate of 3.00%. The interest only installments shall run from the original date of delivery of this Note to the Authority and payment therefor, and until payment of such installment, such interest shall be payable quarterly on January 1, April 1, July 1 and October 1 in each year, beginning _____ 1, 2009 to and including _____ 1, 2012. The principal installment of this Note is payable in any coin or currency which, on the maturity date, _____, 2012, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Note is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Note may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 2009.

This Note is issued to provide funds, along with other available monies of the Issuer (i) to pay the costs of completion of the acquisition and construction of certain extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to pay capitalized interest on the Series 2009 A Notes for a period not to exceed three years; and

(iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Note Ordinance duly enacted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Note Legislation"), and is subject to all the terms and conditions thereof. The Note Legislation provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Notes under the Note Legislation.

THIS NOTE HAS NO LIEN ON THE GROSS OR NET REVENUES OF THE SYSTEM. THIS NOTE IS SECURED BY FUTURE REVENUE BONDS OF THE ISSUER AND SURPLUS REVENUES.

THE ISSUER HAS OUTSTANDING BONDS WHICH ARE SECURED BY THE NET REVENUES OF THE SYSTEM BEING THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,682,265 (THE "SERIES 2007 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2007 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,661,505 (THE "SERIES 2002 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,388,495 (THE "SERIES 2002 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 6, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$639,000 (THE "SERIES 1998 A BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$790,057 (THE "SERIES 1991 A BONDS"); (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$281,848 (THE "SERIES 1990 A BONDS"); AND (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1977 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 4, 1981, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$290,000 (THE "SERIES 1977 BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS"); AND

(9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$35,651 (THE "SERIES 1991 B BONDS"); AND (10) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$13,152 (THE "SERIES 1990 B BONDS") (COLLECTIVELY, THE "SECOND LIEN BONDS") THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Note is payable only from and secured by a first lien on the proceeds of bonds issued by the Issuer subsequent to the issuance of the Note to permanently finance the costs of the Project and Surplus Revenues (as defined in the Note Legislation). This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, hereon, except as set forth in the Note Legislation.

Subject to the registration requirements set forth herein, this Note is transferable, as provided in the Note Legislation, only upon the books of the registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note 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 Note, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

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

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

IN WITNESS WHEREOF, THE TOWN OF SUMMERSVILLE has caused this Note to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Note to be dated as of the date first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Series 2009 A Notes described in the within-mentioned Note Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Notes; Approval and Ratification of Execution of Loan Agreement. The Series 2009 A Notes shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement and all schedules and exhibits attached thereto are hereby approved and ratified and incorporated into this Note Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the Project, the Issuer will file with the Authority a schedule for the Series 2009 A Notes, the form of which will be provided by the Authority, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances);
- (3) Reserve Account (established by Prior Ordinance for the Series 1977 Bonds); and
- (4) Series 2009 A Notes Trust Fund

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

- (1) Series 2007 A Bonds Sinking Fund (established by the Prior Ordinances);
- (2) Series 2007 A Bonds Reserve Account (established by the Prior Ordinances);
- (3) Series 2007 B Bonds Sinking Fund (established by the Prior Ordinances);
- (4) Series 2007 B Bonds Reserve Account (established by the Prior Ordinances);
- (5) Series 2002 A Bonds Sinking Fund (established by the Prior Ordinances);
- (6) Series 2002 A Bonds Reserve Account (established by the Prior Ordinances);
- (7) Series 2002 B Bonds Sinking Fund (established by the Prior Ordinances);
- (8) Series 2002 B Bonds Reserve Account (established by the Prior Ordinances);

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

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

(11) Series 1991 A Bonds Sinking Fund (established by the Prior Ordinances);

(12) Series 1991 A Bonds Reserve Account (established by the Prior Ordinances);

(13) Series 1991 B Bonds Sinking Fund (established by the Prior Ordinances);

(14) Series 1991 B Bonds Reserve Account (established by the Prior Ordinances);

(15) Series 1990 A Bonds Sinking Fund (established by the Prior Ordinances);

(16) Series 1990 A Bonds Reserve Account (established by the Prior Ordinances);

(17) Series 1990 B Bonds Sinking Fund (established by the Prior Ordinances);

(18) Series 1990 B Bonds Reserve Account (established by the Prior Ordinances); and

(19) Series 2009 A Notes Sinking Fund.

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 Note Legislation and in the Prior Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Note Legislation and in the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

(2) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the interest payments on the Series 1991 A Bonds and Series 1990 A Bonds as required by

the Prior Ordinances; and (ii) remit to the National Finance Office the interest payments on the Series 1977 Bonds as required by Prior Ordinance.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the principal payments on the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds and Series 1990 A Bonds, as required by the Prior Ordinances; and (ii) remit to the National Finance Office the principal payments on the Series 1977 Bonds as required by Prior Ordinance.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission for deposit in the respective reserve accounts for the Series 2007 A Bonds, Series 2007 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 1998 A Bonds, Series 1991 A Bonds and Series 1990 A Bonds, the amounts required by the Prior Ordinances to be deposited therein; and (ii) remit to the Depository Bank for deposit in the Reserve Account the amount required by Prior Ordinance for the Series 1977 Bonds.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Ordinance to pay principal on the Second Lien Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Ordinance for deposit in the respective reserve accounts for the Second Lien Bonds.

This Note has no lien on the Gross Revenues or Net Revenues of the System. The Issuer shall remit to the Commission, to the extent not paid by Surplus Revenues, the principal and interest only upon receipt of future bond proceeds issued subsequent to the issuance of the Series 2009 A Note to permanently finance the Project.

Monies in the Series 2009 A Notes Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2009 A Notes as the same shall become due.

All investment earnings on moneys in the Series 2009 A Notes Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during the Project, be deposited in the Series 2009 A Notes Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2009 A Notes, and then to the next ensuing principal payment due thereon.

The Issuer shall not be required to make any further payments into the Series 2009 A Notes Sinking Fund therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 A Notes issued pursuant to this Note Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Authority.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2009 A Notes Sinking Fund created hereunder, and all amounts required for said account shall be remitted to the Commission by the Issuer at the times provided herein.

Monies in the Series 2009 A Notes Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 A Notes Sinking Fund shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 A Notes.

B. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement as Exhibit F, 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.

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission Surplus Revenues to be applied to the principal and interest with respect to the Series 2009 A Notes 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 Note Legislation.

D. 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 which are pledged to the Series 2009 A Notes.

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

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

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

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

ARTICLE VI

NOTE PROCEEDS; DISBURSEMENTS

Section 6.01. Application of Note Proceeds; Pledge of Unexpended Note Proceeds. From the monies received from the sale of the Series 2009 A Notes, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2009 A Notes, there shall first be deposited with the Commission in the Series 2009 A Notes Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2009 A Notes for the period commencing on the date of issuance of the Series 2009 A Notes and ending 36 months after the date of issuance of the Series 2009 A Notes.

B. Moneys in the Series 2009 A Notes Trust Fund shall be used solely to pay the Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 2009 A Notes.

C. After completion of the Project and all costs have been paid, any remaining proceeds of the Series 2009 A Notes shall be expended as directed by the Authority.

Section 6.02. Disbursements of Series 2009 A Notes Proceeds. The Issuer shall provide the Authority with a requisition for the costs incurred on the Project, together with such documentation as the Authority shall require. Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2009 A Notes shall be made only after submission to, and approval from, the Authority of a certificate, signed by an Authorized Officer stating:

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

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

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

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

Pending such application, monies in the Series 2009 A Notes Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

If applicable, the Issuer shall expend all proceeds of the Series 2009 A Notes within 3 years of the date of issuance of the Authority's bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Note Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2009 A Notes. In addition to the other covenants, agreements and provisions of this Note Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 A Notes 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 2009 A Notes or the interest thereon is Outstanding and unpaid.

Section 7.02. Notes not to be Indebtedness of the Issuer. The Series 2009 A Notes shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Note Legislation. No Holder or Holders of any Series 2009 A Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 A Notes or the interest, if any, thereon.

Section 7.03. Notes Secured by Pledge of Future Bond Proceeds and Surplus Revenues. The payment of the debt service of the Series 2009 A Notes shall be secured by a first lien on future bond proceeds issued to permanently finance the costs of the Project and secured by Surplus Revenues.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and shall provide an opinion of counsel to such effect. 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 of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on November 12, 2002 and the sewer rate ordinance duly enacted on January 28, 2002 which rates are incorporated herein by reference as a part hereof.

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

So long as the Series 2009 A Notes are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay the Series 2009 A Notes, and all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2009 A Notes, immediately be remitted to the Commission for deposit in the Series 2009 A Notes

Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to immediately apply such proceeds to the payment of principal of and interest on the Series 2009 A Notes. Any balance remaining after the payment of all the Series 2009 A Notes and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not incur additional debt without paying the Series 2009 A Notes in full without the prior written consent of the Authority.

Section 7.07. Reserved.

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

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

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

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

The Issuer shall file with the Authority, or any other original purchaser of the Series 2009 A Notes, and shall mail in each year to any Holder or Holders of the Series 2009 A Notes, 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 Note Legislation and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), 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 2009 A Notes and shall submit said

report to the Authority, or any other original purchaser of the Series 2009 A Notes. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the Act, the Loan Agreement and this Note Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

The Issuer shall permit the Authority, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of the Project, the Issuer shall also provide the Authority, 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 with respect to the System pursuant to the Act.

Section 7.09. Reserved.

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

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

The Issuer 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 Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, 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 the System or the water 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. If the water system is not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders thereof.

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

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2009 A Notes remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

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

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

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

- (6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer 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. Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2009 A Notes required by State law, with all appeal periods having expired without successful appeal and shall provide an opinion of counsel to such effect.

Section 7.18. Reserved.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 A Notes, 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 2009 A Notes and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the First Lien Bonds and Second Lien Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer 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 Issuer agrees to comply with all applicable laws, rules and regulations issued by the Authority or other state, federal or local bodies in regard to the Project and the operation, maintenance and use of the System.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 A Notes or immediately thereafter, enter into written contracts for the completion of the Project.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Note Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Note 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 except as otherwise provided herein with respect to the Rebate Fund. 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 shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

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

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 A Notes as a condition to issuance of the Series 2009 A Notes. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2009 A Notes as may be necessary in order to maintain the status of the Series 2009 A Notes as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 A Notes which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority from which the proceeds of the Series 2009 A Notes are derived, to lose their status as tax-exempt

bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Note Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 A Notes and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 A Notes:

- (1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2009 A Notes; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its respective part relating to the Series 2009 A Notes set forth in this Note Legislation, any supplemental resolution or in the Series 2009 A Notes, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2009 A Notes may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Note 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 Series 2009 A Notes; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2009 A Notes, and (v) by action or bill in equity enjoin any acts in violation of the Note Legislation with respect to the Series 2009 A Notes, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 A Notes shall be junior and subordinate with the Holders of the Prior Bonds.

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

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

Whenever all that is due upon the Notes and interest thereon and under any covenants of this Note 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 Note Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

ARTICLE X

PAYMENT OF NOTES

Section 10.01. Payment of Series 2009 A Notes. The Series 2009 A Notes will be paid solely from future revenue bonds of the Issuer and Surplus Revenues.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Note Legislation. Prior to issuance of the Series 2009 A Notes, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 A Notes, 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 2009 A Notes, shall be made without the consent in writing of the Registered Owners of the Series 2009 A Notes so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2009 A Notes or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2009 A Notes required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Note 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 2009 A Notes from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of the Note Legislation 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 2009 A Notes.

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

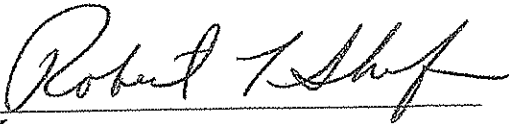
Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances,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

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Nicholas Chronicle*, a newspaper published and of general circulation in the Town of Summersville, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2009 A Notes, 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.

Passed on First Reading:	September 22, 2008
Passed on Second Reading:	October 14, 2008
Passed on Final Reading Following Public Hearing:	November 10, 2008

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



Mayor

CERTIFICATION

Certified a true copy of a Conformed Ordinance duly enacted by the Council of the TOWN OF SUMMERSVILLE on the 10th day of November, 2008 and supplemented by Supplemental Resolution on February 23, 2009.

Dated: March 3, 2009.

[SEAL]

Maria Perry Paloma
Recorder

02.10.09
878730.00006

TOWN OF SUMMERSVILLE

Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2009 A
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2009 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE TOWN OF SUMMERSVILLE; APPROVING A CONFORMED ORDINANCE; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

WHEREAS, the council (the "Governing Body") of the Town of Summersville (the "Issuer") has duly and officially adopted and enacted a note ordinance, effective November 10, 2008 (the "Notes Ordinance"), entitled:

ORDINANCE AUTHORIZING THE COMPLETION OF THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF SUMMERSVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,300,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2008 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND

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

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

WHEREAS, the Notes Ordinance provides for the issuance of the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2009 A (West Virginia Water Development Authority), of the Issuer, in the aggregate principal amount not to exceed \$1,300,000 (the "Notes" or the "Series 2009 A Notes"), and has authorized the execution and delivery of a loan agreement relating to the Notes, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Notes Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Notes should be established by a supplemental resolution pertaining to the Notes; and that other matters relating to the Notes be herein provided for;

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

WHEREAS, the Notes are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Notes be fixed hereby in the manner stated herein, and that other matters relating to the Notes be herein provided for;

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

Section 1. Pursuant to the Notes Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2009 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Note, numbered AR-1, in the principal amount of \$1,110,000. The Series 2009 A Notes shall be dated the date of delivery thereof, shall finally mature April 1, 2012, and shall bear interest at the rate of three percent (3%) per annum. The principal amount shall be payable on the maturity date of April 1, 2012, and the interest only installments shall be payable quarterly on January 1, April 1, July 1 and October 1 in each year, beginning July 1, 2009, to and including April 1, 2012 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2009 A Notes. The Series 2009 A Notes shall be subject to redemption upon the written consent of the Authority, and upon payment of the 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 2009 A Notes. The Series 2009 A Notes are secured by future revenue bonds of the Issuer and Surplus Revenues.

Section 2. All other provisions relating to the Notes and the text of the Notes shall be in substantially the form provided in the Notes Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Authority. The price of the Notes shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Notes shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar"), for the Notes under the Notes Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Notes, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Notes under the Notes Ordinance.

Section 6. The Issuer does hereby appoint and designate Branch Banking & Trust Company, Summersville, West Virginia, to serve as Depository Bank under the Notes Ordinance.

Section 7. Series 2009 A Notes proceeds in the amount of \$102,490 shall be deposited in the Series 2009 A Notes Sinking Fund, as capitalized interest.

Section 8. The balance of the proceeds of the Series 2009 A Notes shall be deposited in or credited to the Series 2009 A Notes Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Notes and related costs.

Section 9. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Notes hereby and by the Notes Ordinance approved and provided for, to the end that the Notes may be delivered on or about March 3, 2009, to the Authority pursuant to the Loan Agreement.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Notes is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

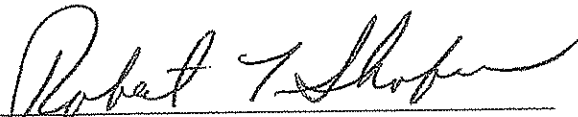
Section 12. The Issuer hereby determines to invest all monies in the funds and accounts established by the Notes Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2009 A Bonds Sinking Fund shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 23rd day of February, 2009.



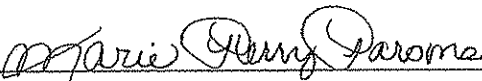
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution and Conformed Ordinance duly adopted by the Council of the Town of Summersville on the 23rd day of February, 2009.

Dated: March 3, 2009.

[SEAL]


Recorder

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF SUMMERSVILLE
COMBINED WATERWORKS AND SEWERAGE SYSTEM
BOND ANTICIPATION NOTE, SERIES 2009 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

\$1,110,000

No. AR-1

KNOW ALL MEN BY THESE PRESENTS: That on this 3rd day of March, 2009, the TOWN OF SUMMERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$1,110,000), on April 1, 2012 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference on the maturity date of April 1, 2012.

This Note shall bear interest at the rate of 3.00%. The interest only installments shall run from the original date of delivery of this Note to the Authority and payment therefor, and until payment of such installment, such interest shall be payable quarterly on January 1, April 1, July 1 and October 1 in each year, beginning July 1, 2009 to and including April 1, 2012. The principal installment of this Note is payable in any coin or currency which, on the maturity date, April 1, 2012, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Note is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Note may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated March 3, 2009.

This Note is issued to provide funds, along with other available monies of the Issuer (i) to pay the costs of completion of the acquisition and construction of certain extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to pay capitalized interest on the Series 2009 A Notes for a period not to exceed three years; and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is

issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Note Ordinance duly enacted by the Issuer on November 10, 2008, and a Supplemental Resolution duly adopted by the Issuer on February 23, 2009 (collectively, the "Note Legislation"), and is subject to all the terms and conditions thereof. The Note Legislation provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Notes under the Note Legislation.

THIS NOTE HAS NO LIEN ON THE GROSS OR NET REVENUES OF THE SYSTEM. THIS NOTE IS SECURED BY FUTURE REVENUE BONDS OF THE ISSUER AND SURPLUS REVENUES.

THE ISSUER HAS OUTSTANDING BONDS WHICH ARE SECURED BY THE NET REVENUES OF THE SYSTEM BEING THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,682,265 (THE "SERIES 2007 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 15, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2007 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,661,505 (THE "SERIES 2002 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,388,495 (THE "SERIES 2002 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 6, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$639,000 (THE "SERIES 1998 A BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$790,057 (THE "SERIES 1991 A BONDS"); (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$281,848 (THE "SERIES 1990 A BONDS"); AND (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1977 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 4, 1981, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$290,000 (THE "SERIES 1977 BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS"); AND

(9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 13, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$35,651 (THE "SERIES 1991

B BONDS"); AND (10) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 6, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$13,152 (THE "SERIES 1990 B BONDS") (COLLECTIVELY, THE "SECOND LIEN BONDS") THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Note is payable only from and secured by a first lien on the proceeds of bonds issued by the Issuer subsequent to the issuance of the Note to permanently finance the costs of the Project and Surplus Revenues (as defined in the Note Legislation). This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, hereon, except as set forth in the Note Legislation.

Subject to the registration requirements set forth herein, this Note is transferable, as provided in the Note Legislation, only upon the books of the registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note 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 Note, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

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

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

IN WITNESS WHEREOF, THE TOWN OF SUMMERSVILLE has caused this Note to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Note to be dated as of the date first written above.

[SEAL]


Mayor

ATTEST:


Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Series 2009 A Notes described in the within-mentioned Note Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 3, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

SPECIMEN

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

EXHIBIT A
DEBT SERVICE SCHEDULE

Town of Summersville				
3% Interest Rate				
Period Ending	Principal	Coupon	Interest	Debt Service
7/1/09			10,915.	10,915.
10/1/09			8,325.	8,325.
1/1/10			8,325.	8,325.
4/1/10			8,325.	8,325.
7/1/10			8,325.	8,325.
10/1/10			8,325.	8,325.
1/1/11			8,325.	8,325.
4/1/11			8,325.	8,325.
7/1/11			8,325.	8,325.
10/1/11			8,325.	8,325.
1/1/12			8,325.	8,325.
4/1/12	1,110,000.	3.000%	8,325.	1,118,325.
	1,110,000.		102,490.	1,212,490.