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TOWN OF FARMINGTON

SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

DATE OF CLOSING: NOVEMBER 14, 2007

BONDS TRANSCRIPT

STEPTOE & JOHNSON PLLC

John C. Stump, Esquire
707 Virginia Street, East
Chase Tower, Seventh Floor
Charleston, WV 25326
(304)353-8196
john.stump@steptoe-johnson.com

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

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

BOND TRANSCRIPT

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09.10.07
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TOWN OF FARMINGTON

SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

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TOWN OF FARMINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF FARMINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public 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 existing public sewerage facilities of the Issuer, consisting of improvements to its existing waste water collection system (the "Project") (the existing public 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 Recorder of the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council") pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of not more than $400,000 as a single bond (the "Series 2007 A Bonds"), permanently finance the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2007 A Bonds prior to and during acquisition and construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Account (as hereinafter defined) for the Series 2007 A Bonds; 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 2007 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2007 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2007 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the Council, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer has the following outstanding obligations: (i) Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), dated June 17, 1999, issued in the original aggregate principal amount of $315,000 (the "Series 1999 A Bonds"); and (ii) Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture), dated June 17, 1999, issued in the original aggregate principal amount of $80,000 (the "Series 1999 B Bonds"); collectively, the "Prior Bonds").

The Series 2007 A Bonds shall be issued on a parity with the Prior Bonds. Prior to the issuance of the Series 2007 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2007 A Bonds on a parity with the Prior 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. 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, the principal of and interest on the Issuer's Prior Bonds and the Series 2007 A Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2007 A Bonds, 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 of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2007 A Bonds or such final order will not be subject to appeal.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2007 A Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2007 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2007 A Bonds, all which shall be of equal rank and

without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2007 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" or "Sanitary Board" means the Sanitary Board of the Issuer.

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

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

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

"Bonds" means, collectively, the Series 2007 A Bonds and 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 2007 A Bonds for all or a portion of the proceeds of the Series 2007 A Bonds 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 Thrasher Engineering, Inc., Clarksburg, West Virginia, or 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 costs of acquisition and construction of the Project.

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

"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.

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues"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 Bond Legislation.

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained

by the Issuer to prepare an independent annual or special audit of the accounts of the 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 Farmington, a municipal corporation and political subdivision of the State of West Virginia, in Marion County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body and/or the Sanitary Board of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2007 A Bonds, 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 2007 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2007 A Bonds Reserve Account.

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

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

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

paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

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

"Prior Bonds" means, collectively, the Issuer's Series 1999 A Bonds and the Series 1999 B Bonds.

"Prior Ordinances" means the ordinances of the Issuer, as supplemented by the supplemental resolutions of the Issuer, authorizing the Prior Bonds.

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as

nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2007 A Bonds.

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

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

"Series 1999 A Bonds" means the Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), of the Issuer, dated June 17, 1999, issued in the original principal amount of $315,000.

"Series 1999 B Bonds" means the Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture), of the Issuer, dated June 17, 1999, issued in the original principal amount of $80,000.

"Series 2007 A Bonds" means the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2007 A Bonds Construction Trust Fund" means the Series 2007 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2007 A Bonds Reserve Account" means the Series 2007 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2007 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2007 A Bonds in the then current or any succeeding year.

"Series 2007 A Bonds Sinking Fund" means the Series 2007 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2007 A 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 2007 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2007 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior Ordinances to be set aside and held for the payment of or security for the Bonds 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 complete existing public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed $400,000, which will be paid from proceeds of the Series 2007 A Bonds, 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 2007 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2007 A Bonds, funding the reserve account for the Series 2007 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2007 A Bonds 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 2007 A Bonds of the Issuer. The Series 2007 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund)", in the principal amount of not more than $400,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2007 A Bonds remaining after funding of the Series 2007 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2007 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2007 A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2007 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2007 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2007 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2007 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2007 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2007 A Bonds shall cease to be such officer of the Issuer before the Series 2007 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2007 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2007 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2007 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2007 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2007 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2007 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2007 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly

authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2007 A Bonds are exercised, all Series 2007 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2007 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2007 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2007 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2007 A Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2007 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2007 A Bonds 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 the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2007 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2007 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2007 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with

the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2007 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2007 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2007 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2007 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2007 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2007 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2007 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
Town OF Farmington
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2007, the Town of Farmington, a municipal corporation and political subdivision of the State of West Virginia in Marion 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 ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of 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 Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2007.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); (ii) fund the Series 2007 A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2007, and a Supplemental Resolution duly adopted by the Issuer on _____, 2007 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1999 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 17, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000 (THE "SERIES 1999 A BONDS"); AND (2) SEWER REVENUE BONDS, SERIES 1999 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 17, 1999, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $80,000 (THE "SERIES 1999 B BONDS" AND, COLLECTIVELY THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2007 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations

secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that, so long as there exists in the Series 2007 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond 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 Bond.

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

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

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

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2007.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(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 $

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)
ASSIGNMENT

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

Dated: _____, 2007.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2007 A Bonds 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 them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, and is hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2007 A Bonds, the form of which will be provided by the Authority and the Council, 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 or the Issuer and from each other:

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

(2) Operation and Maintenance Fund (established by the Prior Ordinances);

(3) Renewal and Replacement Fund (established by the Prior Ordinances as Depreciation Account); and

(4) Series 2007 A Bonds Construction Trust Fund.

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

(1) Series 2007 A Bonds Sinking Fund; and

(2) Series 2007 A Bonds Reserve Account.

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 the Prior Ordinances and in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit the interest payments on the respective Prior Bonds, as required by the Prior Ordinances.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit the principal payments on the respective Prior Bonds, as required by the Prior Ordinances; and (ii) simultaneously remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2007 A Bonds, for deposit in the Series 2007 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2007 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2007 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit for deposit in the respective reserve accounts for the Prior Bonds, the amounts required by the Prior Ordinances to be deposited therein; and (ii) simultaneously remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2007 A Bonds, if not fully funded upon issuance of the Series 2007 A Bonds, for deposit in the Series 2007 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2007 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2007 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 2007 A Bonds Reserve Requirement.

(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.

Monies in the Series 2007 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2007 A Bonds, as the same shall become due. Monies in the Series 2007 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2007 A Bonds, as the same shall come due, when other monies in the Series 2007 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2007 A Bonds Sinking Fund and the Series 2007 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2007 A Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2007 A Bonds.

Any withdrawals from the Series 2007 A Bonds Reserve Account, which result in a reduction in the balance of such accounts to below the Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2007 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2007 A Bonds Sinking Fund or the Series 2007 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2007 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2007 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2007 A Bonds Sinking Fund and the Series 2007 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2007 A Bonds Sinking Fund and the Series 2007 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2007 A Bonds Sinking Fund and the Series 2007 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2007 A Bonds under the conditions and restrictions set forth herein.

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

C. The 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 principal, interest and reserve payments with respect to the Series 2007 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. 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 Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2007 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2007 A Bonds, there shall first be deposited with the Commission in the Series 2007 A Bonds 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 2007 A Bonds for the period commencing on the date of issuance of the Series 2007 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2007 A Bonds, there shall be deposited with the Commission in the Series 2007 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2007 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2007 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2007 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2007 A Bonds.

D. After completion of the construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2007 A Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements of Bond Proceeds. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2007 A Bonds from the Series 2007 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

(2) 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;

(3) Each of such costs has been otherwise properly incurred; and

(4) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2007 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2007 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer, if applicable.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2007 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2007 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2007 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2007 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2007 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2007 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2007 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The 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. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted June 20, 2005, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2007 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2007 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will,

to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner 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 and the Council.

So long as the Series 2007 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2007 A Bonds Sinking Fund, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2007 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Series 2007 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board 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 is not in excess of $50,000, the Board 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 the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of 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, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinances and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the source fiscal year for such sales, leases or other dispositions of such properties,

shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders , or their duly authorized representatives, of the 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. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2007 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2007 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2007 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2007 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2007 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. 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 2007 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.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall 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 additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Bond Legislation then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the 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 Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the 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 7.08. Books; Records and Audit. The Board 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 Board shall permit the Authority and the Council, 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 Board shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of 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 Board shall permit the Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia and the Act. 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 Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Board shall file with the Authority and the Council, or any other original purchaser of the Series 2007 A Bonds and shall mail in each year to any Holder or Holders of the Series 2007 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Board 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 in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required), 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 2007 A Bonds and shall submit the report to the Authority and the Council, or any other original purchaser of the Series 2007 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of test disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Board shall permit the Authority or the Council, 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 construction and commencement of operation of the Project, the Board shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably

necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2007 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2007 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2007 A Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Series 2007 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2007 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2007 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2007 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the

operation and maintenance of the System, and no such increased expenditures shall be made until the Board 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 Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, 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 in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Board shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Board 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 and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the 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 Board 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 Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, the Board and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Board hereby covenants and agrees that so long as the Series 2007 A Bonds remain Outstanding, the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Board will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Board 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 Board, 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 prime contractor 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 and the Board from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) 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 not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

B. The Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Board shall verify such bonds prior to commencement of construction.

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the 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 sewerage facilities portion of 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 sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewerage facilities portion 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 sewerage facilities portion of 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 Board will complete the acquisition and construction of 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 Board will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2007 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer and the Board 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 and the Board will provide the Council with copies of all documents submitted to the Authority. The Issuer and the Board also agree to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. [RESERVED]

Section 7.20. Securities Law 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 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2007 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2007 A Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2007 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the Council and 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 Resolution, 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 Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission 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 bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2007 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2007 A Bonds 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 2007 A Bonds as a condition to issuance of the Series 2007 A Bonds. 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 2007 A Bonds as may be necessary in order to maintain the status of the Series 2007 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2007 A Bonds 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 or the Council, as the case may be, from which the proceeds of the Series 2007 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2007 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2007 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2007 A Bonds; or

(2) If default occurs in the Issuer or the Board's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2007 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2007 A Bonds, and such default shall have continued for a period of 30 days after the Issuer or Board, as appropriate, shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Bondholder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2007 A Bonds shall be on a parity with those of 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 Bond 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 or the Board, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2007 A Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2007 A Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2007 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2007 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2007 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2007 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2007 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2007 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2007 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2007 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2007 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance 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 and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Times West Virginian*, a qualified newspaper published and of general circulation in the Town of Farmington, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2007 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	September 17, 2007
Passed on Second Reading:	October 1, 2007
Passed on Final Reading Following Public Hearing:	November 5, 2007

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the Town of Farmington on the 5th day of November, 2007.

Dated: November 14, 2007.

[SEAL]

Yvonne Mayer
Recorder

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF FARMINGTON; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

Whereas, the Town Council (the "Governing Body") of the Town of Farmington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective November 5, 2007 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF FARMINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE

TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer (the "Series 2007 A Bonds"), in the aggregate principal amounts not to exceed $400,000, and has authorized the execution and delivery of a loan agreement relating to the Series 2007 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2007 A Bonds should be established by a supplemental resolution pertaining to the Series 2007 A Bonds; and that other matters relating to the Series 2007 A Bonds be herein provided for;

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

WHEREAS, the Series 2007 A Bonds 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 ratified by the Issuer, that the exact principal amounts, the dates, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Series 2007 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2007 A Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF FARMINGTON, AS FOLLOWS:

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 Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of $320,000. The Series 2007 A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2047, and shall bear no interest. The principal of the Series 2007 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, to and including September 1, 2047, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2007 A Bonds and incorporated in and made a part of the Series 2007 A Bonds. The Series 2007 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2007 A Bonds.

Section 2. All other provisions relating to the Series 2007 A Bonds and the text of the Series 2007 A Bonds shall be in substantially the form provided in the Bond 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 application to the Council and the Authority. The price of the Series 2007 A Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2007 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2007 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2007 A Bonds under the Bond Ordinance.

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

Section 7. Series 2007 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2007 A Bonds proceeds in the amount of $8,208 shall be deposited in the Series 2007 A Bonds Reserve Account.

Section 9. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2007 A Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2007 A Bonds may be delivered on or about November 14, 2007, 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 Series 2007 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby ratify, approve and accept 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 Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2007 A Bond Sinking Fund and the Series 2007 A Bond Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Series 2007 A Bonds.

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

[Remainder of Page Intentionally Blank]

Adopted this 5th day of November, 2007.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Farmington on the 5th day of November, 2007.

Dated: November 14, 2007.

[SEAL]

Yvonne Mayer
Recorder

09.26.06
273910.00001

IC-1
(11/01/04)

LOAN AGREEMENT

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

TOWN OF FARMINGTON

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together,

as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

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

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

ARTICLE I

Definitions

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

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

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property or any interest therein is approved by the Authority and Council.

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

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

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

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

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

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

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

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

2.12 The Governmental Agency, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and Council.

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

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

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

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

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

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

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

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

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

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as

possible to the designated date and mutually agreeable to the Authority, the Council and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by the Council.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount

equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds

outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's

revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for the Local Bonds;

(xvii) That the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the

Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

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

(xxiv) That the Governmental Agency shall list the funding 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; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

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

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

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

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

6.4 The Governmental Agency hereby agrees to give the Authority and the Council prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

TOWN OF FARMINGTON

(SEAL)

By: _____
Its: Mayor
Date: November 14, 2007

Attest:

_____
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director
Date: November 14, 2007

Attest:

_____
Its: Secretary-Treasurer

{C1273496.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers,_____, _____ hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm[1] has ascertained that all

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof, [2]the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

WITNESS my signature and seal on this ____ day of _____, ___.

[SEAL]

_____

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Ladies and Gentlemen:

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

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

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior

to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

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

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid, legally enforceable and binding special obligations of the Governmental Agency, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
Name of Bond Issue(s) _____
Type of Project _____ **Water** _____ **Wastewater**
Fiscal Year _____ **Report Month** _____

Item	Current Month	Total Year To Date	Budget Year To Date	Budget Year To Date Minus Total Year To Date
1. Gross Revenues				
2. Operating Expenses				
3. Bond Payments:				
Type of Issue				
Clean Water SRF				
Drinking Water TRF				
Infrastructure Fund				
Water Development Authority				
Rural Utilities Service				
Economic Development Administration				
Other (Identify)				
4. Renewal and Replacement Fund Deposits				

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

The Governmental Agency must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT D

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Governmental Agency] on [Date].

Sinking Fund:	
Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $320,000
Purchase Price of Local Bonds $320,000

The Local Bonds shall bear no interest. Commencing December 1, 2008, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

The Local Bonds are fully registered in the name of the Authority as to interest, if any, and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

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

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency:

(i) Town of Farmington Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), dated June 17, 1999, issued in the original principal amount of $315,000; and

(ii) Town of Farmington Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture), dated June 17, 1999, issued in the original principal amount of $80,000.

$320,000
Town of Farmington
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	2,052.00	-	2,052.00
03/01/2009	2,052.00	-	2,052.00
06/01/2009	2,052.00	-	2,052.00
09/01/2009	2,052.00	-	2,052.00
12/01/2009	2,052.00	-	2,052.00
03/01/2010	2,052.00	-	2,052.00
06/01/2010	2,052.00	-	2,052.00
09/01/2010	2,052.00	-	2,052.00
12/01/2010	2,052.00	-	2,052.00
03/01/2011	2,052.00	-	2,052.00
06/01/2011	2,052.00	-	2,052.00
09/01/2011	2,052.00	-	2,052.00
12/01/2011	2,052.00	-	2,052.00
03/01/2012	2,052.00	-	2,052.00
06/01/2012	2,052.00	-	2,052.00
09/01/2012	2,052.00	-	2,052.00
12/01/2012	2,052.00	-	2,052.00
03/01/2013	2,052.00	-	2,052.00
06/01/2013	2,052.00	-	2,052.00
09/01/2013	2,052.00	-	2,052.00
12/01/2013	2,052.00	-	2,052.00
03/01/2014	2,052.00	-	2,052.00
06/01/2014	2,052.00	-	2,052.00
09/01/2014	2,052.00	-	2,052.00
12/01/2014	2,052.00	-	2,052.00
03/01/2015	2,052.00	-	2,052.00
06/01/2015	2,052.00	-	2,052.00
09/01/2015	2,052.00	-	2,052.00
12/01/2015	2,052.00	-	2,052.00
03/01/2016	2,052.00	-	2,052.00
06/01/2016	2,052.00	-	2,052.00
09/01/2016	2,052.00	-	2,052.00
12/01/2016	2,052.00	-	2,052.00
03/01/2017	2,052.00	-	2,052.00
06/01/2017	2,052.00	-	2,052.00
09/01/2017	2,052.00	-	2,052.00
12/01/2017	2,052.00	-	2,052.00
03/01/2018	2,052.00	-	2,052.00
06/01/2018	2,052.00	-	2,052.00
09/01/2018	2,052.00	-	2,052.00

$320,000
Town of Farmington
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2018	2,052.00	-	2,052.00
03/01/2019	2,052.00	-	2,052.00
06/01/2019	2,052.00	-	2,052.00
09/01/2019	2,052.00	-	2,052.00
12/01/2019	2,051.00	-	2,051.00
03/01/2020	2,051.00	-	2,051.00
06/01/2020	2,051.00	-	2,051.00
09/01/2020	2,051.00	-	2,051.00
12/01/2020	2,051.00	-	2,051.00
03/01/2021	2,051.00	-	2,051.00
06/01/2021	2,051.00	-	2,051.00
09/01/2021	2,051.00	-	2,051.00
12/01/2021	2,051.00	-	2,051.00
03/01/2022	2,051.00	-	2,051.00
06/01/2022	2,051.00	-	2,051.00
09/01/2022	2,051.00	-	2,051.00
12/01/2022	2,051.00	-	2,051.00
03/01/2023	2,051.00	-	2,051.00
06/01/2023	2,051.00	-	2,051.00
09/01/2023	2,051.00	-	2,051.00
12/01/2023	2,051.00	-	2,051.00
03/01/2024	2,051.00	-	2,051.00
06/01/2024	2,051.00	-	2,051.00
09/01/2024	2,051.00	-	2,051.00
12/01/2024	2,051.00	-	2,051.00
03/01/2025	2,051.00	-	2,051.00
06/01/2025	2,051.00	-	2,051.00
09/01/2025	2,051.00	-	2,051.00
12/01/2025	2,051.00	-	2,051.00
03/01/2026	2,051.00	-	2,051.00
06/01/2026	2,051.00	-	2,051.00
09/01/2026	2,051.00	-	2,051.00
12/01/2026	2,051.00	-	2,051.00
03/01/2027	2,051.00	-	2,051.00
06/01/2027	2,051.00	-	2,051.00
09/01/2027	2,051.00	-	2,051.00
12/01/2027	2,051.00	-	2,051.00
03/01/2028	2,051.00	-	2,051.00
06/01/2028	2,051.00	-	2,051.00
09/01/2028	2,051.00	-	2,051.00
12/01/2028	2,051.00	-	2,051.00
03/01/2029	2,051.00	-	2,051.00
06/01/2029	2,051.00	-	2,051.00
09/01/2029	2,051.00	-	2,051.00

$320,000
Town of Farmington
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2029	2,051.00	-	2,051.00
03/01/2030	2,051.00	-	2,051.00
06/01/2030	2,051.00	-	2,051.00
09/01/2030	2,051.00	-	2,051.00
12/01/2030	2,051.00	-	2,051.00
03/01/2031	2,051.00	-	2,051.00
06/01/2031	2,051.00	-	2,051.00
09/01/2031	2,051.00	-	2,051.00
12/01/2031	2,051.00	-	2,051.00
03/01/2032	2,051.00	-	2,051.00
06/01/2032	2,051.00	-	2,051.00
09/01/2032	2,051.00	-	2,051.00
12/01/2032	2,051.00	-	2,051.00
03/01/2033	2,051.00	-	2,051.00
06/01/2033	2,051.00	-	2,051.00
09/01/2033	2,051.00	-	2,051.00
12/01/2033	2,051.00	-	2,051.00
03/01/2034	2,051.00	-	2,051.00
06/01/2034	2,051.00	-	2,051.00
09/01/2034	2,051.00	-	2,051.00
12/01/2034	2,051.00	-	2,051.00
03/01/2035	2,051.00	-	2,051.00
06/01/2035	2,051.00	-	2,051.00
09/01/2035	2,051.00	-	2,051.00
12/01/2035	2,051.00	-	2,051.00
03/01/2036	2,051.00	-	2,051.00
06/01/2036	2,051.00	-	2,051.00
09/01/2036	2,051.00	-	2,051.00
12/01/2036	2,051.00	-	2,051.00
03/01/2037	2,051.00	-	2,051.00
06/01/2037	2,051.00	-	2,051.00
09/01/2037	2,051.00	-	2,051.00
12/01/2037	2,051.00	-	2,051.00
03/01/2038	2,051.00	-	2,051.00
06/01/2038	2,051.00	-	2,051.00
09/01/2038	2,051.00	-	2,051.00
12/01/2038	2,051.00	-	2,051.00
03/01/2039	2,051.00	-	2,051.00
06/01/2039	2,051.00	-	2,051.00
09/01/2039	2,051.00	-	2,051.00
12/01/2039	2,051.00	-	2,051.00
03/01/2040	2,051.00	-	2,051.00
06/01/2040	2,051.00	-	2,051.00
09/01/2040	2,051.00	-	2,051.00

$320,000
Town of Farmington
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2040	2,051.00	-	2,051.00
03/01/2041	2,051.00	-	2,051.00
06/01/2041	2,051.00	-	2,051.00
09/01/2041	2,051.00	-	2,051.00
12/01/2041	2,051.00	-	2,051.00
03/01/2042	2,051.00	-	2,051.00
06/01/2042	2,051.00	-	2,051.00
09/01/2042	2,051.00	-	2,051.00
12/01/2042	2,051.00	-	2,051.00
03/01/2043	2,051.00	-	2,051.00
06/01/2043	2,051.00	-	2,051.00
09/01/2043	2,051.00	-	2,051.00
12/01/2043	2,051.00	-	2,051.00
03/01/2044	2,051.00	-	2,051.00
06/01/2044	2,051.00	-	2,051.00
09/01/2044	2,051.00	-	2,051.00
12/01/2044	2,051.00	-	2,051.00
03/01/2045	2,051.00	-	2,051.00
06/01/2045	2,051.00	-	2,051.00
09/01/2045	2,051.00	-	2,051.00
12/01/2045	2,051.00	-	2,051.00
03/01/2046	2,051.00	-	2,051.00
06/01/2046	2,051.00	-	2,051.00
09/01/2046	2,051.00	-	2,051.00
12/01/2046	2,051.00	-	2,051.00
03/01/2047	2,051.00	-	2,051.00
06/01/2047	2,051.00	-	2,051.00
09/01/2047	2,051.00	-	2,051.00
Total	**$320,000.00**	-	**$320,000.00**

Yield Statistics

Bond Year Dollars	$6,534.50
Average Life	20.420 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	6.11E-11
Bond Yield for Arbitrage Purposes	6.11E-11
All Inclusive Cost (AIC)	6.11E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.420 Years

SCHEDULE Z

None.

061837alj022807.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

3/20/2007

Issued: February 28, 2007

CASE NO. 06-1837-S-CN

TOWN OF FARMINGTON

Application for a certificate of convenience and necessity to construct, operate and maintain a sanitary sewage collection system extension to serve six businesses and six residences located in Marion County.

RECOMMENDED DECISION

On November 22, 2006, the Town of Farmington ("Town"), by counsel Joshua P. Sturm, filed with the Public Service Commission, ("Commission"), pursuant to W.Va. Code §24-2-11, an application for a certificate of convenience and necessity to construct, operate and maintain a sanitary sewage collection system in Marion County. Supporting documentation was filed.

Also on November 22, 2006, the Commission directed the Town to publish a Notice of Filing, which provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On December 6, 2006, by Order, the Commission referred this matter to the Division of Administrative Law Judges for decision no later than June 21, 2007, if a timely protest was received, and no later than April 6, 2007, if no such protest was filed.

On December 7, 2006, the Town, by counsel, filed an affidavit of publication establishing that the Notice of Filing had been published on November 30, 2006, in the Times West Virginian, published in Marion County.

On December 18, 2006, Staff Attorney C. Terry Owen filed an Initial Joint Staff Memorandum, with an attached memorandum from Pete Lopez, of the Water and Wastewater Division, and Jim Spurlock, of the Engineering Division, synopsizing the application and pointing out that the

funding for the project has been approved by the West Virginia Infrastructure & Jobs Development Council.

On February 5, 2007, the undersigned issued a Procedural Order requiring Staff to file its final memorandum no later than February 20, 2007.

On February 27, 2007, Mr. Owen filed the Final Joint Staff Memorandum, with an attached memorandum from Mr. Lopez and Mr. Spurlock, recommending that the project and the funding be approved.

FINDINGS OF FACT

1. On November 22, 2006, the Town of Farmington filed with the Public Service Commission an application for a certificate of convenience and necessity to construct, operate and maintain a sanitary sewage collection system along Route 250 North in Marion County, in order to serve six businesses and six residences. The project will consist of 2,022 LF of 8-inch gravity line, 49 LF of 6-inch line, and nine manholes. Supporting documents were filed. (See application; Final Joint Staff Memorandum filed February 27, 2007).

2. The customers to be served by the extension presently have septic systems or discharge their sewage directly into Buffalo Creek. (See Final Joint Staff Memorandum).

3. On September 15, 2006, the State of West Virginia Office of Environmental Health Services issued Permit No. 17,238, authorizing the project. (See application; Final Joint Staff Memorandum).

4. The project, estimated to cost $320,000, will be funded by a $320,000 loan, payable over forty years at 0% interest, from the West Virginia Infrastructure & Jobs Development Council. (See application; Final Joint Staff Memorandum).

5. The project will cost the Town approximately $12,000 annually in increased operation and management expenses, debt payments, and payments fulfilling debt reserve requirements. The Town is not raising its rate to cover those costs because it presently has an annual cash flow surplus of more than $21,000. (See application; Final Joint Staff Memorandum).

6. Staff recommended that the project and its financing be approved. (See Final Joint Staff Memorandum).

CONCLUSION OF LAW

It is appropriate to grant the application, pursuant to W.Va. Code §24-2-11, and to approve the project and its funding, because the public convenience and necessity require the project; the funding is appropriate; Staff recommended such approvals; and no protest to such approvals was filed.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the Town of Farmington on November 22, 2006, for a certificate of convenience and necessity to construct, operate and maintain a sanitary sewage collection system along Route 250 North in Marion County is granted and the project is approved.

IT IS FURTHER ORDERED that the funding for the project, a $320,000 loan from the West Virginia Infrastructure & Jobs Development Council, payable over 40 years at 0% interest, is approved.

IT IS FURTHER ORDERED that, should there be a change in the cost of the project, estimated at $320,000, of such magnitude as to affect the rates of the Town of Farmington, the Town of Farmington obtain separate Commission approval for any revisions prior to commencing construction.

IT IS FURTHER ORDERED that, should the change in the cost not affect rates, the Town of Farmington submit an affidavit signed by a certified public accountant verifying that the rates are not affected. That is, if the rates are not affected, the Town of Farmington is not required to obtain separate Commission approval prior to commencing construction.

IT IS FURTHER ORDERED that, should the scope or financing of the project change, the Town of Farmington obtain separate Commission approval of any such revision prior to commencing construction.

IT IS FURTHER ORDERED that the Town of Farmington submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that the Town of Farmington notify the Commission when its engineer has performed the substantial completion inspection.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Town of Farmington comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

The Executive Secretary hereby is ordered to serve a copy of this Recommended Decision upon Commission Staff by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave hereby is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this Recommended Decision is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this Recommended Decision shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's recommended decision by filing an appropriate petition in writing with the Executive Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's recommended decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Sunya Anderson
Administrative Law Judge

SA:s
061837aa.wpd

TURM & STURM
ATTORNEYS AT LAW
P.O. Box 49
211 Adams Street, Suite 700
Fairmont, West Virginia 26555-0049
Phone: 304.366.5556

Joshua P. Sturm, Esquire
Heidi M. Sturm, Esquire

December 5, 2006

Public Service Commission
Attn: Ms. Sandra Squire
P.O. Box 812
Charleston, WV 25323

RE: Affidavit of Publication
Public Service Commission Case No. 06-1837-S-CN

Dear Ms. Squire:

Please accept for filing in the above referenced case the enclosed copy of the Affidavit of Publication from the Times West Virginian.

Should you have any questions regarding this matter please do not hesitate to contact me.

Sincerely,

Joshua P. Sturm, Esq.

enclosure

cc: file
Mayor Jon Sanders (w/o enclosure)

RECEIVED
2006 DEC -7 AM 8:45
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 22nd day of November 2006

CASE NO: 06-1837-S-CN

TOWN OF FARMINGTON
Farmington, WV 26571
Application for a certificate of convenience and necessity to construct, operate and maintain a sanitary sewage collection system extension to serve six businesses and six residence located in Marion County.

NOTICE OF FILING

WHEREAS, on November 22, 2006, Town of Farmington, filed an application, duly verified filed an application, duly verified, for a Certificate to an extension to the Town of Farmington Sanitary Sewage Collection System along Route 250 North in Marion County. The application is on file with and available for public inspection at the Public Service Commission 201 Brooks Street, in Charleston, West Virginia

WHEREAS, the Town of Farmington, (Town) estimates that construction will cost approximately One Million Three Hundred Twenty Thousand Dollars ($320,000.00). It is proposed that the construction will be financed with a Three Hundred Twenty Thousand Dollars ($320,000.00) West Virginia Infrastructure and Jobs Development Council Loan:

WHEREAS, the utility anticipates charging the following existing sewer rates for its customers:

The proposed extension of sewage service and those customers listing rates will produbills to proximately $7,534.47 annually in additional revenue, an increase of 5.64%

Pursuant to § 24-2-11 West Virginia Code, IT IS ORDERED that the Town of Farmington give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, publishing and of general circulation in Marion County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings

All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, PO Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said

Legals

Applicable within and without the Corporate Limits of the town of Farmington.

General Service Sewer

Available for General domestic, commercial and industrial service

Rates

First 3,000 gallons used per month - $29.40

Over 3,000 gallons used per month - $9.80 per 1,000 gallons

Minimum Charge - Metered users

A flat rate of $29.40 will be charges to all unmetered residential users such as those receiving water from wells.

Delayed Payment Penalty

The above tariff is net. Any account not paid in full within twenty (20) days of the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Service Fee

A service fee of $25.00 shall be charged for each time an account is activated or turned on.

Service Tap Fee

A service connection fee of one hundred fifty ($150.00) will be charged to all applicants applying for sewer service.This filing does not involve a rate increase, but is rather to seek a certificate to extend sewage service along Route 250 North to 12 Customers.

Legals

thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

Sandra Squire
times: November 30, 2006

RECEIVED
2006 DEC -7 AM 11:59
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

AFFIDAVIT OF PUBLICATION

006655

RECEIVED

2006 DEC -7 AM 8:45

W VA PUBLIC SERVICE COMMISSION

State of West Virginia
County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath, do dispose and say that I am Legal Clerk of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMES WEST VIRGINIAN** an Independent newspaper:

that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below, that such newspaper is regularly published daily except Saturday and Sunday, for at least fifty weeks during the calendar year, in the Municipality of Fairmont, Marion County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforementioned municipality and Marion County; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial or social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices.

that the annexed notice of Filing was duly published in said newspaper once day for 1 successive day (Class I), commencing with the issue of the 30 day of November, 2006, and ending with the issue of the 30 day of November, 2006, and was posted at the front door of the Marion County Courthouse on the 30 day of November, 2006; that said annexed notice was published on the following dates: November 30, 2006

and the cost of publishing said annexed notice as aforesaid was $ 148.51.

Beverly A. Miller

Taken, subscribed and sworn to before me in said county this 4 day of Dec, 2006.

My commission expires Jan 24, 2010.

Sherry A. Gillett
Notary Public of Marion County, West Virginia

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Jefferson E. Brady, PE

Executive Director
Jefferson.Brady@verizon.net

August 24, 2006

The Honorable Jon Sanders
Mayor, Town of Farmington
P.O. Box 520
Farmington, West Virginia 26571

Re: Binding Commitment Letter
Town of Farmington
Sewer Project 2003S-740

Dear Mayor Sanders:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $320,000 (the "Loan") to the Town of Farmington (the "Town") for above referenced wastewater project (the "Project"). The Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan amount will be established after the Town has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan upon the Town's compliance with the program requirements. The Loan agreement will be between the District and the West Virginia Water Development Authority (the "Authority"), acting on behalf of the Infrastructure Council.

This commitment is contingent upon the Project meeting the following schedule:

a. Submit Plans and Specifications to the Bureau for Public Health by September 1, 2006;
b. File Certificate Case with the Public Service Commission no later than October 30, 2006;
c. Advertise for bids no later than March 30, 2007.
(The Town must receive authority from the Infrastructure Council before bidding the project.)

The Infrastructure Council reserves the right to withdraw this Loan commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

If the Town becomes aware that it will not meet one or more of the above schedule dates, the Town should immediately notify the Infrastructure Council of this fact and the circumstances which have caused or will cause the Town to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

The Authority will enter into a Loan agreement with the Town following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of all permits; evidence of acceptable bids; and any other documents requested by the Infrastructure Council.

No statements or representations made before or after the issuance of this contingent commitment by any person or member of the Infrastructure Council, or agent or employee of the Authority shall be construed as approval to alter or amend this commitment, as all such amendments or alterations shall only be made in writing after approval of the Infrastructure Council.

If the Town has any questions regarding this commitment, please contact Jeff Brady at the above-referenced telephone number.

Sincerely,

Mark Prince

MP/jb
Attachments
cc: Samme Gee, Esq., Jackson & Kelly
David Watson, Thrasher Engineering, Inc.
John Stump, Esq., Steptoe & Johnson

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

Town of Farmington

By:_____

Its: _____

Date:_____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Town of Farmington
Wastewater Project 2003S-740
August 24, 2006

SCHEDULE A

A. Approximate Amount: $ 320,000 Loan

B. Loan: $ 320,000

1. Maturity Date: 40 years

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

5. Special Conditions:

   A. Reserve requirements One year's annual debt service
   OR
   Funding one year's annual debt service over the first ten years

   B. Coverage 115% unless reserve fund is fully funded then coverage is 110%

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

C. Total Project Cost: $ 320,000

Project Schedule

		Funding Source(s)	
Utility:	Town of Farmington	IJDC Loan	$320,000
County:	Marion		
Project Number:	2003S-740	**Total:**	**$320,000**

Project Milestone	Responsible Party	Start	Complete
Engineering Agreement	Thrasher	Complete	Complete
Prepare & Submit Plans & Specs to BPH	Thrasher	8/25/2006	8/25/2006
Plans & Specs Review & Approval	BPH	8/25/2006	9/25/2006
Prepare & Submit Permit Applications	Thrasher	8/25/2006	9/30/2006
Prepare Rule 42	Accountant	8/25/2006	10/4/2006
File Certificate Case with PSC	Sturm & Sturm	10/15/2006	10/15/2006
Review & Approve PSC Certificate (120, 180, or 270 Days)	PSC	10/15/2006	7/15/2007
Rights-of-way, Easements & Land Acquisitions	Sturm & Sturm	8/25/2006	12/4/2006
Authority to Advertise for Bids	IJDC	3/30/2007	3/30/2007
Advertise	Thrasher / Town	4/1/2007	4/1/2007
Bid Opening	Thrasher	5/1/2007	5/1/2007
Loan Closing	Steptoe & Johnson / Town	8/1/2007	8/1/2007
Construction	Contractor(s)	8/1/2007	11/1/2007

Thrasher = Thrasher Engineering
BPH = Board of Public Health
PSC = Public Service Commission
IJDC = Infrastructure & Jobs Development Council
Town = Town of Farmington

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 14th day of November, 2007, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Farmington (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 14th day of November, 2007, the Authority received the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $320,000, numbered AR-1 (the "Series 2007 A Bonds"), issued as a single, fully registered Bond.

2. At the time of such receipt the Series 2007 A Bonds had been executed by the Mayor and the Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2007 A Bonds, of $54,508, being a portion of the principal amount of the Series 2007 A Bonds. The balance of the principal amount of the Series 2007 A Bonds will be advanced by the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Left Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Barbara B Meadows
Its: Authorized Representative

TOWN OF FARMINGTON

By: Jon F. Sanders
Its: Mayor

10.29.07
273910.00001

CH848344.2

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 14th day of November, 2007.

(1) Bond No. AR-1, constituting the entire original issue of the Town of Farmington Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), in the principal amount of $320,000 (the "Series 2007 A Bonds"), executed by the Mayor and the Recorder the Town of Farmington (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on November 5, 2007, and a Supplemental Resolution duly adopted by the Issuer on November 5, 2007 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2007 A Bonds, dated November 14, 2007, by and between the Issuer, the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2007 A Bonds.

You are hereby requested and authorized to deliver the Series 2007 A Bonds to the Authority upon payment to the Issuer of the sum of $54,508, representing a portion of the principal amount of the Series 2007 A Bonds. Prior to such delivery of the Series 2007 A Bonds, you will please cause the Series 2007 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

TOWN OF FARMINGTON

By: Don F. Sanders
Its: Mayor

10.29.07
273910.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF FARMINGTON
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $320,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 14th day of November, 2007, the Town of Farmington, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE HUNDRED TWENTY THOUSAND DOLLARS ($320,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of 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 Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated November 14, 2007.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); (ii) fund the Series 2007 A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State

of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on November 5, 2007, and a Supplemental Resolution duly adopted by the Issuer on November 5, 2007 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1999 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 17, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000 (THE "SERIES 1999 A BONDS"); AND (2) SEWER REVENUE BONDS, SERIES 1999 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 17, 1999, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $80,000 (THE "SERIES 1999 B BONDS" AND, COLLECTIVELY THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2007 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that, so long as there exists in the Series 2007 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond 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 Bond.

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

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

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

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November 14, 2007.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 54,508	November 14, 2007	(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 $

EXHIBIT B

DEBT SERVICE SCHEDULE

$320,000
Town of Farmington (West Virginia)
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	2,052.00	-	2,052.00
03/01/2009	2,052.00	-	2,052.00
06/01/2009	2,052.00	-	2,052.00
09/01/2009	2,052.00	-	2,052.00
12/01/2009	2,052.00	-	2,052.00
03/01/2010	2,052.00	-	2,052.00
06/01/2010	2,052.00	-	2,052.00
09/01/2010	2,052.00	-	2,052.00
12/01/2010	2,052.00	-	2,052.00
03/01/2011	2,052.00	-	2,052.00
06/01/2011	2,052.00	-	2,052.00
09/01/2011	2,052.00	-	2,052.00
12/01/2011	2,052.00	-	2,052.00
03/01/2012	2,052.00	-	2,052.00
06/01/2012	2,052.00	-	2,052.00
09/01/2012	2,052.00	-	2,052.00
12/01/2012	2,052.00	-	2,052.00
03/01/2013	2,052.00	-	2,052.00
06/01/2013	2,052.00	-	2,052.00
09/01/2013	2,052.00	-	2,052.00
12/01/2013	2,052.00	-	2,052.00
03/01/2014	2,052.00	-	2,052.00
06/01/2014	2,052.00	-	2,052.00
09/01/2014	2,052.00	-	2,052.00
12/01/2014	2,052.00	-	2,052.00
03/01/2015	2,052.00	-	2,052.00
06/01/2015	2,052.00	-	2,052.00
09/01/2015	2,052.00	-	2,052.00
12/01/2015	2,052.00	-	2,052.00
03/01/2016	2,052.00	-	2,052.00
06/01/2016	2,052.00	-	2,052.00
09/01/2016	2,052.00	-	2,052.00
12/01/2016	2,052.00	-	2,052.00
03/01/2017	2,052.00	-	2,052.00
06/01/2017	2,052.00	-	2,052.00
09/01/2017	2,052.00	-	2,052.00
12/01/2017	2,052.00	-	2,052.00
03/01/2018	2,052.00	-	2,052.00
06/01/2018	2,052.00	-	2,052.00
09/01/2018	2,052.00	-	2,052.00

$320,000
Town of Farmington (West Virginia)
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2018	2,052.00	-	2,052.00
03/01/2019	2,052.00	-	2,052.00
06/01/2019	2,052.00	-	2,052.00
09/01/2019	2,052.00	-	2,052.00
12/01/2019	2,051.00	-	2,051.00
03/01/2020	2,051.00	-	2,051.00
06/01/2020	2,051.00	-	2,051.00
09/01/2020	2,051.00	-	2,051.00
12/01/2020	2,051.00	-	2,051.00
03/01/2021	2,051.00	-	2,051.00
06/01/2021	2,051.00	-	2,051.00
09/01/2021	2,051.00	-	2,051.00
12/01/2021	2,051.00	-	2,051.00
03/01/2022	2,051.00	-	2,051.00
06/01/2022	2,051.00	-	2,051.00
09/01/2022	2,051.00	-	2,051.00
12/01/2022	2,051.00	-	2,051.00
03/01/2023	2,051.00	-	2,051.00
06/01/2023	2,051.00	-	2,051.00
09/01/2023	2,051.00	-	2,051.00
12/01/2023	2,051.00	-	2,051.00
03/01/2024	2,051.00	-	2,051.00
06/01/2024	2,051.00	-	2,051.00
09/01/2024	2,051.00	-	2,051.00
12/01/2024	2,051.00	-	2,051.00
03/01/2025	2,051.00	-	2,051.00
06/01/2025	2,051.00	-	2,051.00
09/01/2025	2,051.00	-	2,051.00
12/01/2025	2,051.00	-	2,051.00
03/01/2026	2,051.00	-	2,051.00
06/01/2026	2,051.00	-	2,051.00
09/01/2026	2,051.00	-	2,051.00
12/01/2026	2,051.00	-	2,051.00
03/01/2027	2,051.00	-	2,051.00
06/01/2027	2,051.00	-	2,051.00
09/01/2027	2,051.00	-	2,051.00
12/01/2027	2,051.00	-	2,051.00
03/01/2028	2,051.00	-	2,051.00
06/01/2028	2,051.00	-	2,051.00
09/01/2028	2,051.00	-	2,051.00
12/01/2028	2,051.00	-	2,051.00
03/01/2029	2,051.00	-	2,051.00
06/01/2029	2,051.00	-	2,051.00
09/01/2029	2,051.00	-	2,051.00

$320,000
Town of Farmington (West Virginia)
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2029	2,051.00	-	2,051.00
03/01/2030	2,051.00	-	2,051.00
06/01/2030	2,051.00	-	2,051.00
09/01/2030	2,051.00	-	2,051.00
12/01/2030	2,051.00	-	2,051.00
03/01/2031	2,051.00	-	2,051.00
06/01/2031	2,051.00	-	2,051.00
09/01/2031	2,051.00	-	2,051.00
12/01/2031	2,051.00	-	2,051.00
03/01/2032	2,051.00	-	2,051.00
06/01/2032	2,051.00	-	2,051.00
09/01/2032	2,051.00	-	2,051.00
12/01/2032	2,051.00	-	2,051.00
03/01/2033	2,051.00	-	2,051.00
06/01/2033	2,051.00	-	2,051.00
09/01/2033	2,051.00	-	2,051.00
12/01/2033	2,051.00	-	2,051.00
03/01/2034	2,051.00	-	2,051.00
06/01/2034	2,051.00	-	2,051.00
09/01/2034	2,051.00	-	2,051.00
12/01/2034	2,051.00	-	2,051.00
03/01/2035	2,051.00	-	2,051.00
06/01/2035	2,051.00	-	2,051.00
09/01/2035	2,051.00	-	2,051.00
12/01/2035	2,051.00	-	2,051.00
03/01/2036	2,051.00	-	2,051.00
06/01/2036	2,051.00	-	2,051.00
09/01/2036	2,051.00	-	2,051.00
12/01/2036	2,051.00	-	2,051.00
03/01/2037	2,051.00	-	2,051.00
06/01/2037	2,051.00	-	2,051.00
09/01/2037	2,051.00	-	2,051.00
12/01/2037	2,051.00	-	2,051.00
03/01/2038	2,051.00	-	2,051.00
06/01/2038	2,051.00	-	2,051.00
09/01/2038	2,051.00	-	2,051.00
12/01/2038	2,051.00	-	2,051.00
03/01/2039	2,051.00	-	2,051.00
06/01/2039	2,051.00	-	2,051.00
09/01/2039	2,051.00	-	2,051.00
12/01/2039	2,051.00	-	2,051.00
03/01/2040	2,051.00	-	2,051.00
06/01/2040	2,051.00	-	2,051.00
09/01/2040	2,051.00	-	2,051.00

$320,000
Town of Farmington (West Virginia)
40 Years; 0% Interest Rate
Closing Date: November 14, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2040	2,051.00	-	2,051.00
03/01/2041	2,051.00	-	2,051.00
06/01/2041	2,051.00	-	2,051.00
09/01/2041	2,051.00	-	2,051.00
12/01/2041	2,051.00	-	2,051.00
03/01/2042	2,051.00	-	2,051.00
06/01/2042	2,051.00	-	2,051.00
09/01/2042	2,051.00	-	2,051.00
12/01/2042	2,051.00	-	2,051.00
03/01/2043	2,051.00	-	2,051.00
06/01/2043	2,051.00	-	2,051.00
09/01/2043	2,051.00	-	2,051.00
12/01/2043	2,051.00	-	2,051.00
03/01/2044	2,051.00	-	2,051.00
06/01/2044	2,051.00	-	2,051.00
09/01/2044	2,051.00	-	2,051.00
12/01/2044	2,051.00	-	2,051.00
03/01/2045	2,051.00	-	2,051.00
06/01/2045	2,051.00	-	2,051.00
09/01/2045	2,051.00	-	2,051.00
12/01/2045	2,051.00	-	2,051.00
03/01/2046	2,051.00	-	2,051.00
06/01/2046	2,051.00	-	2,051.00
09/01/2046	2,051.00	-	2,051.00
12/01/2046	2,051.00	-	2,051.00
03/01/2047	2,051.00	-	2,051.00
06/01/2047	2,051.00	-	2,051.00
09/01/2047	2,051.00	-	2,051.00
Total	**$320,000.00**	-	**$320,000.00**

Yield Statistics

Bond Year Dollars	$6,534.50
Average Life	20.420 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	6.11E-11
Bond Yield for Arbitrage Purposes	6.11E-11
All Inclusive Cost (AIC)	6.11E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.420 Years

(Form of)
ASSIGNMENT

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

Dated: _____, 2007.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

November 14, 2007

Town of Farmington
Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

Town of Farmington
Farmington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Farmington (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $320,000 Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated the date hereof (the "Series 2007 A Bonds" or the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated November 14, 2007, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, bearing no interest, and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008 to and including September 1, 2047, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2007 A Bonds.

The Series 2007 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage system of the Issuer (the "Project"); (ii) funding the Series 2007 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

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We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on November 5, 2007, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 5, 2007 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2007 A Bonds are authorized and issued, and the Loan Agreement has been entered into. The Series 2007 A Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to enact the Bond Legislation and to issue and sell the Series 2007 A Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Series 2007 A Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Series 2007 A Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System on a parity with the Issuer's (i) Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), dated June 17, 1999, issued in the original aggregate principal amount of $315,000; and (ii) Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture), dated June 17, 1999, issued in the original aggregate principal amount of $80,000, all in accordance with the terms of the Series 2007 A Bonds and the Bond Legislation.

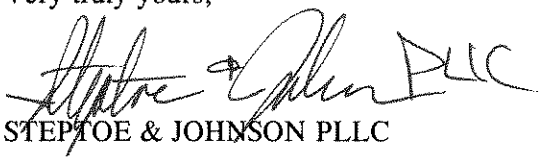
5. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest, if any, from the gross income of the owners thereof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

6. The Series 2007 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Series 2007 A Bonds 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 holders of the Series 2007 A Bonds and the enforceability of the Series 2007 A Bonds, the Loan Agreement and 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 their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

10.29.07
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STURM & STURM
ATTORNEYS AT LAW
P.O. Box 49
The Atrium
503 Morgantown Avenue
Fairmont, West Virginia 26555-0049
Phone: 304.366.5556

Joshua P. Sturm, Esquire
Heidi M. Sturm, Esquire

November 14, 2007

Town of Farmington
Farmington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

RE: Town of Farmington
Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We serve as the Town Attorney for the Town of Farmington in Marion County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC as bond counsel, a loan agreement for the Series 2007 A Bonds dated November 14, 2007, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), (the "Loan Agreement"), a Bond Ordinance duly enacted by the Issuer on November 5, 2007, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 5, 2007 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board of the Issuer duly adopted October 10, 2007, and other documents relating to the above-captioned Bonds of the Issuer

(collectively, the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

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

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

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

4. The Issuer has duly enacted the ordinances prescribing the rates and charges of the System.

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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Department of Environmental Protection, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia (the "PSC") and has 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 Issuer has received the Recommended Decision of the PSC dated February 28, 2007 which became final order on March 20, 2007 in Case No.06-1837-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the

financing for the Project. The time for appeal of the Commission Order has expired prior to the date hereof without any appeal.

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

8. All successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Sincerely,

Joshua P. Sturm, Esq.

STURM & STURM
ATTORNEYS AT LAW
P.O. Box 49
The Atrium
503 Morgantown Avenue
Fairmont, West Virginia 26555-0049
Phone: 304.366.5556

Joshua P. Sturm, Esquire
Heidi M. Sturm, Esquire

November 14, 2007

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Town of Farmington
Route 250 N. Sanitary Sewage Extension Project
Final Title Opinion

Dear Ladies & Gentlemen:

This firm represents the Town of Farmington (the "Town") with regard to a proposed project to construct a sanitary sewage service collection system along Route 250 North in Marion County in order to serve six businesses and six residences (the "Project"), and provides this final title opinion on behalf of the Town to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the Infrastructure Fund financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Town is a duly created and existing municipal corporation possessed with all the powers and authority granted to municipal corporations under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Bureau for Public Health.

2. That the Town has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Thrasher Engineering, Inc., the consulting engineers for the Project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Marion County, West Virginia, the county in which the Project is

to be located, and, in my opinion, the Town has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That all deeds or other documents which have been acquired to date by the Town have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the Town.

Sincerely,

Joshua P. Sturm, Esq.

cc: Jon Sanders, Mayor
Dave Watson, P.E.
Katy Mallory, P.E.
Lea Wolfe, Region VI

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

On this 14th day of November, 2007, we, the undersigned MAYOR and RECORDER of the Town of Farmington in Marion County, West Virginia (the "Issuer"), and the undersigned Town ATTORNEY hereby certify in connection with the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted November 5, 2007, and the Supplemental Resolution duly adopted November 5, 2007 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series 2007 A Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Series 2007 A Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2007 A Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Series 2007 A Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2007 A Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of Net Revenues as security for the Series 2007 A Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Series 2007 A Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

The Issuer has the following outstanding obligations: (i) Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), dated June 17, 1999, issued in the original aggregate principal amount of $315,000 (the "Series 1999 A Bonds"); and (ii) Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture), dated June 17, 1999, issued in the aggregate principal amount of $80,000 (the "Series 1999 B Bonds" and, collectively with the Series 1999 A Bonds, the "Prior Bonds").

The Series 2007 A Bonds shall be issued on a parity with the Prior 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; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2007 A Bonds on a parity with the Prior 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. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to

be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Loan Agreement for Series 2007 A Bonds

Public Service Commission Order

Infrastructure Council Approval

Town Charter, with Amendments

Oaths of Office of Officers and Council members

Ordinance Creating Sanitary Board and Oaths of Office of Boardmembers and Petition of Sanitary Board

Sewer Rate Ordinance

Minutes on Adoption and Enactment of Sewer Rate Ordinance

Affidavit of Publication of Sewer Rate Ordinance

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

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

Environmental Health Services Permit and NPDES Permit

Prior Bond Ordinances - 1999

Evidence of Insurance

Consent of United States Department of Agriculture

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "Town of Farmington." The Issuer is a municipal corporation in Marion County and is presently existing under the laws of, and a political subdivision of, the State

of West Virginia. The governing body of the Issuer is its Council, consisting of council members, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name		Date of Commencement of Office	Date of Termination of Office
Jon F. Sanders	- Mayor	July 1, 2007	June 30, 2009
Yvonne Moyer	- Recorder	July 1, 2007	June 30, 2009
Donna Constello	- Councilmember	July 1, 2007	June 30, 2009
Dorothy Hassan	- Councilmember	July 1, 2007	June 30, 2009
Valerie Sanders	- Councilmember	July 1, 2007	June 30, 2009
Isabelle Roach	- Councilmember	July 1, 2007	June 30, 2009
Barry Sanders, Jr.	- Councilmember	July 1, 2007	June 30, 2009

The duly elected or appointed officers of the Sanitary Board for 2007 are as follows:

Name	Term of Office	
Jon F. Sanders, Chairman	July 1, 2007	June 30, 2009
Ronald Jenkins	September 17, 2007	September 16, 2010
Christopher Wolfe, P.E.	October 1, 2007	September 30, 2009

The duly appointed and acting Town Attorney is Sturm & Sturm, Fairmont, West Virginia.

7. 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 and 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 Series 2007 A Bonds. The Town Attorney makes no representations as to this paragraph.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2007 A Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including,

particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. RATES: The Issuer has duly enacted a sewer rate ordinance on June 20, 2005, setting rates and charges of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2007 A Bonds of the aforesaid issue, consisting upon original issuance of a single Bond of each series, dated the date hereof, by his or her manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon said Series 2007 A Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate, register and deliver the Series 2007 Bonds to a representative of the Authority as the original purchaser of the Series 2007 Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received $54,508 from the Authority and the Council, being a portion of the principal amount of the Series 2007 A Bonds, there being no interest accrued thereon. The balance of the principal amount of the Series 2007 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing

Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Times West Virginia*, a qualified newspaper published in the Town of Farmington, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2007 A Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 5th day of November, 2007, at 7:00 p.m., at the Town of Farmington, Town Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on February 28, 2007 which became final order on March 20, 2007, in Case No. 06-1837-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Commission Order has expired prior to the date hereof without any appeal. The Commission Order remains in full force and effect.

16. SPECIMEN BONDS: Delivered concurrently herewith is a true and accurate specimen of the Series 2007 A Bond.

17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer or the Board has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2007 A Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

18. 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.

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

WITNESS our signatures and the official seal of the TOWN OF FARMINGTON as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	Recorder
	Town Attorney

10.29.07
273910.00001

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the Town of Farmington in Marion County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $320,000 Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer, dated November 14, 2007 (the "Bonds" or the "Series 2007 A Bonds"), hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on November 5, 2007, as supplemented by Supplemental Resolution adopted by the Issuer on November 5, 2007 (collectively, the "Bond Ordinance"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on November 14, 2007, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2007 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2007 A Bonds were sold on November 14, 2007, to the Authority, pursuant to a loan agreement dated November 14, 2007, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $320,000 (100% of par), at which time, the Issuer received $54,508 from the Authority and the Council, being the first advance of the principal amount of the Series 2007 A Bonds. No accrued interest has been or will be paid on the Series 2007 A Bonds. The balance of the principal amount of the Series 2007 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2007 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage facilities of the Issuer (the "Project"); (ii) funding the Series 2007 A Bonds Reserve Account; and (iii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2007 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before September 1, 2008. The acquisition and construction of the Project is expected to be completed by March 1, 2008.

8. The total cost of the Project, a portion of which is financed from the proceeds of the Bonds (including all costs of issuance of the Bonds), is estimated at $320,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2007 A Bonds	$320,000
Total Sources	$320,000
USES	
Costs of Acquisition and Construction of the Project	$300,292
Funding the Series 2007 A Bonds Reserve Account	$ 8,208
Costs of Issuance	$ 11,500
Total Uses	$320,000

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2007 A Bonds:

(1) Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund;

(4) Series 2007 A Bonds Construction Trust Fund;

(5) Series 2007 A Bonds Sinking Fund; and

(6) Series 2007 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited as follows:

(1) Series 2007 A Bonds proceeds in the amount of $8,208 will be deposited in the Series 2007 A Bonds Reserve Account.

(2) The balance of the proceeds of the Series 2007 A Bonds will be deposited in the Series 2007 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2007 A Bonds and related costs.

11. Monies held in the Series 2007 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2007 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2007 A Bonds Sinking Fund and Series 2007 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2007 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within three (3) months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2007 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within nine (9) months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental bonds.

23. The Issuer has either (a) funded the Series 2007 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2007 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2007 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2007 A Bonds Reserve Account and the Series 2007 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

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WITNESS our signatures on this 14th day of November, 2007.

TOWN OF FARMINGTON

By: _____
Its: Mayor

09.26.06
273910.00001

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

On this 14th day of November, 2007, I, Kenneth P. Moran, P.E., Registered Professional Engineer, West Virginia License No.11309, of Thrasher Engineering, Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing public sewerage system (the "System") of the Town of Farmington (the "Issuer"), to be constructed in Marion County, West Virginia, which acquisition and construction are being permanently financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on November 5, 2007, as amended by the Supplemental Resolution of the Issuer adopted November 5, 2007 (collectively, the "Bond Legislation"), and the Loan Agreement for the Series 2007 A Bonds by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated November 14, 2007, (the "Loan Agreement").

2. The Series 2007 Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; (ii) funding the Series 2007 A Bonds Reserve Account; and (iii) to pay certain costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and the Authority and any change orders approved by the Issuer, the Authority, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and Sturm and Sturm, counsel to the Issuer, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid

documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the system; (ix) in reliance upon the certificate of an independent certified public accountant, Bennett and Dobbins PLLC, of even date herewith, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Estimated Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal as of the date first written above.

THRASHER ENGINEERING, INC.

(SEAL)

KENNETH P. MORAN
REGISTERED
11309
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

Kenneth P. Moran, P.E.
West Virginia License No. 11309

10.22.07
273910.00001

10/29/2007

SCHEDULE B
TOWN OF FARMINGTON
RT. 250 SEWER PROJECT

A. COST OF PROJECT		TOTAL	WVIJDC Loan
1 a. Construction		185,101.00	185,101.00
b Contingency		12,900.00	12,900.00
2 Technical Services	Thrasher		
a. Planning		5,000.00	5,000.00
b. Design		20,000.00	20,000.00
c. Eng. Drg. Constr.		3,000.00	3,000.00
d. Inspection		14,000.00	14,000.00
e. Special Services		10,000.00	10,000.00
3 Legal & Fiscal			
a. Legal	Joshua Sturm	10,000.00	10,000.00
b. Accounting	Gary Bennett	4,500.00	4,500.00
4 Administrative	Region VI	15,000.00	15,000.00
5 Sites & Other Lands			
a. ROWs		3,000.00	3,000.00
6 Project Contingency		17,791.00	17,791.00
7 TOTAL of Lines 1 through 6		300,292.00	300,292.00
B. COST OF FINANCING			
8 Funded Reserve		8,208.00	8,208.00
9 Registrar		500.00	500.00
10 Bond Counsel		11,000.00	11,000.00
11 Cost of Issuance (lines 8 through 10)		19,708.00	19,708.00
12 TOTAL PROJECT COST line 7 plus line 11		320,000.00	320,000.00
C. SOURCES OFOTHER FUNDS			
13 Federal Grants			
14 State Grants			
15 Other Grants			
16 TOTAL GRANTS Lines 12 through 15		0.00	0.00
17 Size of Bond Issue		320,000.00	320,000.00

Town of Farmington — Date 11/5/07

Thrasher Engineering — Date 11/2/07

Bennett & Dobbins PLLC
CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue
Fairmont, WV 26554-1604
Telephone: (304) 366-4295 Fax: (304) 366-4311

GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

November 14, 2007

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

Town of Farmington
Farmington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Sewer Rate Ordinance dated June 20, 2005, the projected operating expenses and the anticipated customer usage as furnished to us by Thrasher Engineering, Inc., the Consulting Engineer to the Town of Farmington (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all operating expenses of the System and (i) will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Bonds") and the Prior Bonds, as hereinafter defined, and sufficient to make the payments required into all funds and accounts and all necessary expenses of operating and maintaining the System during such Fiscal Year; and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Bonds"), to be issued to the West Virginia Sewer Development Authority and all other obligations secured by or payable from the revenues of the System, including the Issuer's Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture) (the "Prior Bonds").

It is our further opinion that the Net Revenues for the Fiscal Year following the year in which the Bonds are issued will be at least 120% of the average annual debt service requirements on the Bonds and the Prior Bonds.

Very truly yours,

Bennett & Dobbins PLLC

Bennett & Dobbins PLLC

STATE OF WEST VIRGINIA:

At a Regular Term of the Circuit Court, held in and for the County of Marion, State aforesaid on the 9th day of March, 1896, the following order was entered:

In Re:
Farmington.

Application having been duly made by W. H. Veach, B. J. Toothman and B. F. Martin, for a certificate of Incorporation of a certain part of Lincoln District, Marion County, West Virginia, described in map of survey accompanying said application under the name and title of Farmington. And the certificate required by law in proceedings to incorporate towns and villages having been duly presented to this Court on the first day of this term of Court, subscribed and sworn to by W. H. Veach, B. J. Toothman and B. F. Martin, showing that a majority of all the qualified voters residing within the boundary of the territory proposed to be incorporated, at an election held on the 13th day of February, 1896, within the boundaries of that portion of Lincoln District, Marion County, West Virginia, proposed to be incorporated under the name and title of Farmington, voted in favor of the incorporation of said territory, and proof having been produced to the Court that all the provisions of Chapter forty-seven of the Code of West Virginia in relation to the incorporation of towns and villages have been complied with. The Clerk of this Court is hereby directed to issue a certificate of Incorporation of the territory within the boundaries described by this survey, as a town under name and municipal title of Farmington as follows, to-wit:

A certificate under oath of W. H. Veach, B. J. Toothman and B. F. Martin, which was filed on the 1st day of this term showing that a majority of all the qualified voters residing in the following boundary, to-wit:

Beginning at a W. O. in a line between E. C. Morgan and Eliza Carpenter and near the upper end of E. C. Morgan's land, Thence S. 13° E. 47 poles and 20 links to stone on the south side of pike near the east end of stone, fill or bridge. Thence S. 20° W. 11-1/5 poles crossing drain between aforesaid fill and the B. & O. R. R. to stone near the watch house on the said R. R.

Thence S. 15° W. 68 poles to stone in H. L. Morris's field crossing the R. R. and passing between the forks of a sycamore tree and crossing Buffalo Creek at 46 poles.

Thence S. 27¾° E. 100 poles passing 10 feet to the south of large R. O. Snag below the county road, then through P. Murphy's field to stone in drain at side of road below Jerome Hall's house. Thence S. 74° E. 12 poles to stone at North West Corner of Cemetery.

Thence S. 79° E. 25 poles to stone another corner to said cemetery. Thence S. 79° E. 9 poles to stone the south west corner of said cemetery. Thence N. 30° E. 221 poles to stone in Nicholas Eneminger's lot at west end of a cow stable and bearing N. 48° W. 25 links from a small W. O. Thence N. 63½° W. 26 poles to stone by drain above Mrs. Floyd's house.

Thence S. 57¾° E. 115 poles and 15 links to stone in line between W. E. Drummond and E. L. Morgan and about 6 feet above beech tree. Thence with Morgan's line S. 73½° W. 68 poles and 19 links to the beginning, enclosing an area of 215 acres and 120 poles, in Lincoln District, Marion County, West Virginia, has been given in due form of law in favor of the Incorporation of the town of Farmington, in the County of Marion, West Virginia, bounded as herein set forth.

And it appearing to the satisfaction of the Court that all of the provisions of Chapter forty-seven of the Code of West Virginia have been complied with by the applicants for said incorporation, the said town is duly authorized within the corporate limits aforesaid to exercise all the corporate powers conferred by the said Chapter from and after the date of this certificate under the name of Farmington. And the Court doth appoint W. H. Veach, B. J. Toothman and B. F. Martin to act as Commissioners at the first election to be held in said town of Farmington.

A Copy.

ATTEST: L. C. Gather
Clerk of the Circuit Court of
Marion County, West Virginia.

CHAPTER 1

ELECTIONS

ns shall be held in accordance with current state law.

CHAPTER 2

GOVERNING BODY

1-201 Municipal Authorities
1-202 Corporate Powers
1-203 Terms of Office
1-204 Vacancies in Office
1-205 Time and Place of regular meetings
1-206 Order of Business
1-207 General Rules of order.
1-208 Transaction of Business.
1-209 Minutes of meeting.
1-210 Reading of Minutes
1-211 Mayor and Recorder to have vote.
1-212 Powers of Council.
1-213. Ordinances, Powers to enact and enforce.
1-214. Annual Budget.
1-215. Levy.

1-201. Municipal Authorities. The municipal authorities of the Town of Farmington shall be a Mayor, Recorder, and five Council Persons, who shall be residents of the Town of Farmington, and who together shall form a common council.

1-202. Corporate Powers. The Mayor, Recorder, and Council persons of the Town of Farmington, as soon as they have been elected and qualified as herein provided, and their successors in office, shall be a body politic and corporate, by the name of "The Town of Farmington", and shall have perpetual succession and a common seal; and by that name may sue and be sued, plead and be impleaded, purchase and hold real estate necessary to enable them the better to discharge their duties and needful for the good order, government, and welfare of the Town of Farmington. All the corporate powers of such corporation shall be exercised by said council and under their authority, except where otherwise provided.

1-203. Terms of Office. The officers elected in the Town of Farmington shall hold their offices until their successors are elected and qualified. The terms of all officers shall commence on the first day of July in the year they are elected and shall be for two years.

1-204. Vacancies in Office. When a vacancy shall occur from any cause in the office of Mayor, Recorder, or in the Council, the vacancy shall be filled by appointment by the Council, from among the citizens of the Town eligible under this code.

1-205. Time and Place of Regular Meetings. The Governing Body shall hold regular monthly meetings at 7:30 PM on the first and third Monday of each month at the Town Hall.

1-206. Order of Business. At each meeting of the governing body the following regular order of business shall be observed unless dispensed with by a majority vote of the members present:

(1) Call to order by the Mayor

(2) Roll call by the Recorder or clerk.

(3) Reading of minutes of the previous meeting by the Recorder or clerk and approval of corrections.

(4) Grievance of citizens.

(5) Communications from the Mayor.

(6) Reports from committees, members of the governing body and other officers.

(7) Old business

(8) New business.

(9) Adjournment.

1-207. General Rules of Order. The rules of order and parliamentary procedure contained in Robert's Rules of Order, Revised, shall govern the transaction of business by and before the governing body at its meeting in all cases to which they are applicable and in which they are not inconsistent with provisions of the charter and this code.

1-208. Transaction of Business. The Council shall be presided over at its meeting by the Mayor, or in his absence by the Recorder; or in the absence of the Mayor and Recorder, by one of the council persons selected by a majority of the council present; and a majority of the council shall be necessary to form a quorum for the transaction of business. No member of the Council shall vote upon any order, measure, resolution, or proposition in which he may be interested other than a citizen of the Town of Farmington.

1-209. Minutes of Meeting. The Council shall cause to be kept, in a well bound book, an accurate record of all its proceedings, by-laws, acts, orders, and resolutions, which shall be fully indexed and open to inspection of any one who is required to pay taxes to such town.

1-210. Reading of Minutes. At each meeting of the Council, the proceedings of the last meeting shall be read, and corrected, if erroneous, and signed by the presiding officer for the time being. Upon the call of any member, the yeas and nays on any question shall be taken and recorded in the journal.

1-211. Mayor and Recorder to have vote. The Mayor and Recorder shall have votes as members of the Council and in case of a tie, the presiding officer for the time being shall have the casting vote.

1-212. Powers of Council. The Council of the Town of Farmington shall have power to lay off, vacate, close, open, alter, curb, pave, and keep in good repair roads, streets, alleys, sidewalks, crosswalks, drains and gutters, for the use of the public or of any citizen thereof, and to improve and light the same, and to have them kept free from obstructions on or over them; to regulate the width of sidewalks on the streets, and to order the sidewalks, footways, crosswalks, drains, and gutters to be curbed and paved, and kept in good order, free and clean, by the owners or occupants thereof, or of the real property next adjacent thereto; to

establish and regulate markets, to prescribe the times of holding the same; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive, or unwholesome; to prevent hogs, cattle, horses, sheep, and other animals, and fowls of all kinds from going at large in the Town; to protect places of divine worship in and about the premises where held; to abate or cause to be abated, anything which, in the opinion of the majority of the whole council, shall be a nuisance; to regulate the keeping of gunpowder and other combustibles; to provide in or near the Town, places for the burial of the dead, and to regulate interments therein; to provide for the regular building of houses or other structures, and for the making of division fences by the owners of adjacent premises, and the drainage of lots by the proper drains and ditches; to make regulations for guarding against danger and fire; to prevent the illegal sales of all intoxicating liquors, drinks, mixtures and preparations thereof; to protect the persons and property of the citizens of the Town and to preserve peace and good order therein; and for this purpose to appoint, when necessary, a police force to assist in the enforcement of Town ordinances; to prescribe the powers and define the duties of the officers appointed by the Council, fix their terms of service and compensation, require and take from them bonds when deemed necessary, payable to the Town in its corporate name, with such sureties and in such penalty as the Council may see fit, conditioned for the faithful discharge of their duties; to erect, or authorize or prohibit the erection of gas works, or water works in the Town; to prevent the injury to or pollution of the same, or to the water and healthfulness thereof; to regulate and provide for the weighing of hay, coal, and other articles sold or for sale in the Town, and appropriate the same to its expenses; to provide for the annual assessment of taxable property therein; to adopt rules for the transaction of business, and the government and regulation of its own body.

1-213. Ordinances, Powers to enact and enforce. To carry into effect these enumerated powers and all others conferred upon the Town, or its Council, by the chapter or by any future act of the Legislature of this State, the Council shall have power to make and pass all needful orders, by-laws, ordinances, resolutions, rules, and regulations, not contrary to the Constitution and laws of this State; and to prescribe, impose, and enact reasonable fines, penalties, and imprisonment's in the County Jail or the place of imprisonment in said corporation, if there be one, for a term not exceeding thirty days, for a violation thereof. Such fines, penalties, and imprisonment shall be recovered, and enforced under the judgment of the Mayor of the Town or the person lawfully exercising his functions.

1-214. Annual Budget. The Council shall cause to be annually made up and entered upon its journal, an accurate estimate of all sums which are or may become lawfully chargeable on the Town, and which ought to be paid within one year, and it shall order a levy of so much as may, in its opinion be necessary to pay the same.

1-215. The Levy. The levy so ordered shall be upon all dogs in the said Town, and upon all real and personal estate therein, subject to State and County taxes: PROVIDED, that the taxes so levied upon property shall no exceed that allowed by current State law.

CHAPTER 3

MAYOR

UN

Generally supervises municipality's affairs.
Executes municipality's contracts.

Generally Supervises Municipality's affairs. The Mayor shall have general supervision of all the affairs of the municipality and may require reports from the various officers and employees of the municipality as he may reasonably deem necessary to carry out his executive responsibilities. The Mayor shall be the Chief Executive officer of the Town, and shall take care that the orders, by-laws, ordinances, acts, and resolutions of the Council thereof are faithfully executed. He shall be ex officio a justice and conservator of the peace within the Town and shall within the same have, possess, and exercise all the powers, and perform all the duties vested by law in a justice of peace, except that he shall have no jurisdiction in civil cases of action arose out of his Town. Any warrant or other process issued by him, may be executed at any place within the County. He shall have control of the police of the Town, and may appoint special police officers, whenever he deems it necessary; it shall be his duty especially to see that the peace and good order of the Town is preserved, and the persons and property therein are protected, and to this end he may cause the arrest and detention of all riotous and disorderly persons in the Town issuing his warrant therefore. He shall have power to issue executions for all fines, penalties, and costs imposed by him, or he may require the immediate payment thereof, and in default of such payment he may commit the party in default to the County Jail until the fine or penalty and costs shall be paid, but the term of imprisonment in such cases shall not exceed thirty days. He shall from time to time, recommend to the Council such measures as he may deem needful for the welfare of the Town.

Executes municipality's contracts. The Mayor shall execute all contracts authorized by the governing body.

CHAPTER 4

RECORDER

To be bonded.
To keep Minutes, etc.
To perform general administrative duties, etc.
Acting Mayor.

To be Bonded. The Recorder shall be bonded in the sum of Forty Thousand ($40,000.00), with surety acceptable to the governing body, before assuming the of this office.

To keep minutes, etc. The Recorder shall keep the minutes of all meetings of the ing body and shall preserve the original copy of all ordinances in a separate ordinance

To perform general administrative duties, etc. The Recorder shall perform or be performed, all administrative duties for the governing body and for the pality which are not expressly assigned by this code to another corporate officer. He so have custody of, and be responsible for maintaining all corporate bonds, records, ers in such fireproof vault or safe as the municipality shall provide.

Acting Mayor. In the absence from the Town, or sickness of the Mayor, or during ancy of the office of Mayor, he shall perform the duties of the Mayor and be invested his powers.

4.

TOWN OF FARMINGTON

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the Town of Farmington does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the City Clerk at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 18th day of Sept, 2006.

Jon F. Sanders
Mayor

ATTEST:

Yvonne Mayer
Recorder

CERTIFICATION

I, Yvonne Mayer duly elected Recorder of the Town of Farmington do hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the City Council of the Town of Farmington at a regular meeting of City Council held 9/18/06 2006, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

10. Dated this 18th day of Sept., 2006.

[SEAL]

Yvonne Mayer
Recorder

8/21/06
485090.00004

CHAPTER 2

GOVERNING BODY

1-201 Municipal Authorities
1-202 Corporate Powers
1-203 Terms of Office
1-204 Vacancies in Office
1-205 Time and Place of regular meetings
1-206 Order of Business
1-207 General Rules of order.
1-208 Transaction of Business.
1-209 Minutes of meeting.
1-210 Reading of Minutes
1-211 Mayor and Recorder to have vote.
1-212 Powers of Council.
1-213. Ordinances, Powers to enact and enforce.
1-214. Annual Budget.
1-215. Levy.

1-201. Municipal Authorities. The municipal authorities of the Town of Farmington shall be a Mayor, Recorder, and five Council Persons, who shall be residents of the Town of Farmington, and who together shall form a common council.

1-202. Corporate Powers. The Mayor, Recorder, and Council persons of the Town of Farmington, as soon as they have been elected and qualified as herein provided, and their successors in office, shall be a body politic and corporate, by the name of "The Town of Farmington", and shall have perpetual succession and a common seal; and by that name may sue and be sued, plead and be impleaded, purchase and hold real estate necessary to enable them the better to discharge their duties and needful for the good order, government, and welfare of the Town of Farmington. All the corporate powers of such corporation shall be exercised by said council and under their authority, except where otherwise provided.

1-203. Terms of Office. The officers elected in the Town of Farmington shall hold their offices until their successors are elected and qualified. The terms of all officers shall commence on the first day of July in the year they are elected and shall be for two years.

1-204. Vacancies in Office. When a vacancy shall occur from any cause in the office of Mayor, Recorder, or in the Council, the vacancy shall be filled by appointment by the Council, from among the citizens of the Town eligible under this code.

1-205. Time and Place of Regular Meetings. The Governing Body shall hold regular monthly meetings at 7:30 PM on the first and third Monday of each month at the Town Hall.

1-206. Order of Business. At each meeting of the governing body the following regular order of business shall be observed unless dispensed with by a majority vote of the members present:

(1) Call to order by the Mayor

(2) Roll call by the Recorder or clerk.

(3) Reading of minutes of the previous meeting by the Recorder or clerk and approval of corrections.

(4) Grievance of citizens.

(5) Communications from the Mayor.

(6) Reports from committees, members of the governing body and other officers.

(7) Old business

(8) New business.

(9) Adjournment.

1-207. General Rules of Order. The rules of order and parliamentary procedure contained in Robert's Rules of Order, Revised, shall govern the transaction of business by and before the governing body at its meeting in all cases to which they are applicable and in which they are not inconsistent with provisions of the charter and this code.

1-208. Transaction of Business. The Council shall be presided over at its meeting by the Mayor, or in his absence by the Recorder; or in the absence of the Mayor and Recorder, by one of the council persons selected by a majority of the council present; and a majority of the council shall be necessary to form a quorum for the transaction of business. No member of the Council shall vote upon any order, measure, resolution, or proposition in which he may be interested other than a citizen of the Town of Farmington.

1-209. Minutes of Meeting. The Council shall cause to be kept, in a well bound book, an accurate record of all its proceedings, by-laws, acts, orders, and resolutions, which shall be fully indexed and open to inspection of any one who is required to pay taxes to such town.

1-210. Reading of Minutes. At each meeting of the Council, the proceedings of the last meeting shall be read, and corrected, if erroneous, and signed by the presiding officer for the time being. Upon the call of any member, the yeas and nays on any question shall be taken and recorded in the journal.

1-211. Mayor and Recorder to have vote. The Mayor and Recorder shall have votes as members of the Council and in case of a tie, the presiding officer for the time being shall have the casting vote.

1-212. Powers of Council. The Council of the Town of Farmington shall have power to lay off, vacate, close, open, alter, curb, pave, and keep in good repair roads, streets, alleys, sidewalks, crosswalks, drains and gutters, for the use of the public or of any citizen thereof, and to improve and light the same, and to have them kept free from obstructions on or over them; to regulate the width of sidewalks on the streets, and to order the sidewalks, footways, crosswalks, drains, and gutters to be curbed and paved, and kept in good order, free and clean, by the owners or occupants thereof, or of the real property next adjacent thereto; to

establish and regulate markets, to prescribe the times of holding the same; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive, or unwholesome; to prevent hogs, cattle, horses, sheep, and other animals, and fowls of all kinds from going at large in the Town; to protect places of divine worship in and about the premises where held; to abate or cause to be abated, anything which, in the opinion of the majority of the whole council, shall be a nuisance; to regulate the keeping of gunpowder and other combustibles; to provide in or near the Town, places for the burial of the dead, and to regulate interments therein; to provide for the regular building of houses or other structures, and for the making of division fences by the owners of adjacent premises, and the drainage of lots by the proper drains and ditches; to make regulations for guarding against danger and fire; to prevent the illegal sales of all intoxicating liquors, drinks, mixtures and preparations thereof; to protect the persons and property of the citizens of the Town and to preserve peace and good order therein; and for this purpose to appoint, when necessary, a police force to assist in the enforcement of Town ordinances; to prescribe the powers and define the duties of the officers appointed by the Council, fix their terms of service and compensation, require and take from them bonds when deemed necessary, payable to the Town in its corporate name, with such sureties and in such penalty as the Council may see fit, conditioned for the faithful discharge of their duties; to erect, or authorize or prohibit the erection of gas works, or water works in the Town; to prevent the injury to or pollution of the same, or to the water and healthfulness thereof; to regulate and provide for the weighing of hay, coal, and other articles sold or for sale in the Town, and appropriate the same to its expenses; to provide for the annual assessment of taxable property therein; to adopt rules for the transaction of business, and the government and regulation of its own body.

1-213. Ordinances, Powers to enact and enforce. To carry into effect these enumerated powers and all others conferred upon the Town, or its Council, by the chapter or by any future act of the Legislature of this State, the Council shall have power to make and pass all needful orders, by-laws, ordinances, resolutions, rules, and regulations, not contrary to the Constitution and laws of this State; and to prescribe, impose, and enact reasonable fines, penalties, and imprisonment's in the County Jail or the place of imprisonment in said corporation, if there be one, for a term not exceeding thirty days, for a violation thereof. Such fines, penalties, and imprisonment shall be recovered, and enforced under the judgment of the Mayor of the Town or the person lawfully exercising his functions.

1-214. Annual Budget. The Council shall cause to be annually made up and entered upon its journal, an accurate estimate of all sums which are or may become lawfully chargeable on the Town, and which ought to be paid within one year, and it shall order a levy of so much as may, in its opinion be necessary to pay the same.

1-215. The Levy. The levy so ordered shall be upon all dogs in the said Town, and upon all real and personal estate therein, subject to State and County taxes: PROVIDED, that the taxes so levied upon property shall no exceed that allowed by current State law.

Town of Farmington
1314 Mill Street
P.O. Box 520
Farmington, WV 26571

Tel: 304-825-6442
Fax: 304-825-6325

The Town of Farmington, West Virginia

Jon F. Sanders
Mayor

Yvonne Moyer
Town Recorder

1.

Office	Name	Term
Mayor	Jon Sanders	07/01/07 – 06/30/09
Recorder	Yvonne Moyer	07/01/07 – 06/30/09
Council Member	Barrie Sanders	07/01/07 – 06/30/09
Council Member	Dorothy Hassan	07/01/07 – 06/30/09
Council Member	Donna Costello	07/01/07 – 06/30/09
Council Member	Isabelle Roach	07/01/07 – 06/30/09
Council Member	Valerie Sanders	07/01/07 – 06/30/09

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

2.

OATH OF OFFICE

I, **BARRIE L. SANDERS, JR.**, do hereby solemnly swear or affirm that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will faithfully discharge the duties of Council, of the Town of Farmington, for the term beginning on the second day of July, 2007 and ending on the thirtieth day of June, 2009, or until my successor has been duly elected and qualified, to the best of my knowledge and ability, so help me God.

Barrie Sanders
Signature

Subscribed and sworn or affirmed to before me on the second day of July 2007.

Yvonne Meyer
Recorder

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **DONNA COSTELLO**, do hereby solemnly swear or affirm that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will faithfully discharge the duties of Council, of the Town of Farmington, for the term beginning on the second day of July, 2007 and ending on the thirtieth day of June, 2009, or until my successor has been duly elected and qualified, to the best of my knowledge and ability, so help me God.

Donna J. Costello
Signature

Subscribed and sworn or affirmed to before me on the second day of July 2007.

Yvonne Mayer
Recorder

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **JON F. SANDERS**, do hereby solemnly swear or affirm that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will faithfully discharge the duties of Council, of the Town of Farmington, for the term beginning on the second day of July, 2007 and ending on the thirtieth day of June, 2009, or until my successor has been duly elected and qualified, to the best of my knowledge and ability, so help me God.

Jon F. Sanders
Signature

Subscribed and sworn or affirmed to before me on the second day of July 2007.

Yvonne Mayer
Recorder

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **YVONNE S. MOYER**, do hereby solemnly swear or affirm that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will faithfully discharge the duties of Council, of the Town of Farmington, for the term beginning on the second day of July, 2007 and ending on the thirtieth day of June, 2009, or until my successor has been duly elected and qualified, to the best of my knowledge and ability, so help me God.

Yvonne Moyer
Signature

Subscribed and sworn or affirmed to before me on the second day of July 2007.

Mayor

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **DOROTHY A. HASSAN**, do hereby solemnly swear or affirm that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will faithfully discharge the duties of Council, of the Town of Farmington, for the term beginning on the second day of July, 2007 and ending on the thirtieth day of June, 2009, or until my successor has been duly elected and qualified, to the best of my knowledge and ability, so help me God.

Dorothy A. Hassan
Signature

Subscribed and sworn or affirmed to before me on the second day of July 2007.

Yvonne Moyer
Recorder

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **ISABELLE ROACH**, do hereby solemnly swear or affirm that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will faithfully discharge the duties of Council, of the Town of Farmington, for the term beginning on the second day of July, 2007 and ending on the thirtieth day of June, 2009, or until my successor has been duly elected and qualified, to the best of my knowledge and ability, so help me God.

Isabelle Roach
Signature

Subscribed and sworn or affirmed to before me on the second day of July 2007.

Yvonne Mayer
Recorder

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **VALERIE SANDERS**, do hereby solemnly swear or affirm that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will faithfully discharge the duties of Council, of the Town of Farmington, for the term beginning on the second day of July, 2007 and ending on the thirtieth day of June, 2009, or until my successor has been duly elected and qualified, to the best of my knowledge and ability, so help me God.

Valerie Sanders
Signature

Subscribed and sworn or affirmed to before me on the second day of July 2007.

Yvonne Mayer
Recorder

TOWN OF FARMINGTON

ORDINANCE CREATING A SANITARY BOARD
OF THE TOWN OF FARMINGTON

WHEREAS, the Town of Farmington (the "Town") now contemplates the issuance of its sewer revenue bonds to finance the acquisition, construction and equipping of a sanitary sewerage system, and future additions, extensions and improvements thereto (the "System"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"); and

WHEREAS, the Act requires that a sanitary board be established in connection with the issuance of sewer revenue bonds, as aforesaid, and in connection with the custody, administration, operation and maintenance of such a sewer system by a municipal corporation;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE TOWN COUNCIL OF THE TOWN OF FARMINGTON AS FOLLOWS:

Section 1. The Council of the Town (the "Council") does hereby create and establish a Sanitary Board (the "Sanitary Board" or "Board"), with all powers and duties as provided in and pursuant to the Act.

Section 2. Composition; Chairman; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the Town, who shall act as Chairman of the Sanitary Board, and two persons appointed by the Council, one of whom, during the period of construction of the System or any additions thereto must be a registered professional engineer. The engineer member of the Board need not be a resident of said municipality. After the construction of the System has been completed, the engineer may be succeeded by a person not an engineer. The appointees shall originally be appointed for terms of 2 and 3 years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of 3 years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the Town, whether holding a paid or unpaid office, shall be eligible to appointment on the Sanitary Board until at least 1 year after the expiration of the term of his public office.

Section 3. Organizational Meetings; Vice Chairman, Secretary, Treasurer; Official Bonds. As soon as may be practicable following the appointment of a new member of the Sanitary Board, the Board shall hold an organizational meeting and choose a vice

chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Board member, and such officers shall hold office at the will of the Board. No bond shall be required of the Board members as such, but the treasurer, whether a member of the Board or not, shall give bond as required under Section 9 hereof.

Section 4. Compensation and Expenses of Board Members. The members of the Sanitary Board shall receive such compensation, if any, for their services, either as a salary or as payments for meetings attended, as the Council may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. Any such compensation and expenses paid solely from funds derived from the System, but there shall be no liability upon the Town for any compensation or expenses so incurred.

Section 5. Powers, Duties and Limitations. A. The Sanitary Board shall have the supervision and control of the custody, administration, operation and maintenance of any and all works for the collection, treatment and disposal of sewage, which are now owned or may hereafter be acquired by the Town.

B. The Sanitary Board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of the powers granted to such Board by the Act, as the same now exists and may hereafter be amended; but the powers of the Sanitary Board shall be subject to all restrictions and limitations contained in the Act as the same now exists or may hereafter be amended.

C. The Sanitary Board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other personnel as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of the Act shall be paid solely and only from funds provided under the authority of the Act, and the Board shall not exercise or carry out any authority or power given it so as to bind the Board or the Town beyond the extent to which money shall have been or may be provided under the authority of the Act. No contract or agreement with any contractor or contractors for labor and/or material exceeding the sum of $5,000 shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board.

E. After the construction, acquisition, installation and completion of such works, the Sanitary Board shall operate, manage and control the same and may order and

complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds therefor be available or made available as provided by the Act, and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may affect the operation of such works, and to do all things necessary or expedient for the successful operation thereof, and the Board shall have in addition hereto any and all powers granted to it by the Act, or which may be granted to it by amendments to the Act, hereafter made, subject to any and all restrictions and limitations therein contained.

Section 6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Sanitary Board in carrying out its authority under this ordinance and the Act shall be restored or repaired by the Board and placed in their original condition, as nearly as practicable, if requested so to do by the proper authorities, out of the funds provided by the Act.

Section 7. Publication of Financial Statement. The Sanitary Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of Chapter 59, Article 3 of the West Virginia Code of 1931, as amended, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Board.

Section 8. Procedure for Disbursement of Funds. All funds under the supervision of the Sanitary Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Board. All such disbursements shall be approved by the Board.

Section 9. Fidelity Bonds. The Sanitary Board shall require all persons who collect or otherwise handle funds of the Board or the System to furnish a good and proper bond, with a recognized and reputable surety, conditioned upon the faithful performance of their duties and for the proper handling and care of said funds in their hands. Such bond shall be in an amount equal to the sum of money which might at any one time be in the hands of such person or persons.

Section 10. Effective Date. This Ordinance shall take effect immediately following the second reading hereon.

Passed on First Reading: April 12, 1999

Passed on Second Reading: April 19, 1999

Harry C. Mallory Jr.
Mayor

Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF FARMINGTON on the 19th day of April, 1999.

Dated: June 17, 1999.

[SEAL]

Recorder

05/17/99
273910/97001

TOWN OF FARMINGTON
SANITARY BOARD

OATH OF OFFICE

I, Jon Sanders, hereby swear and affirm that I will faithfully and loyally discharge my duties as a member of the Sanitary Board of the Town of Farmington, Marion County, West Virginia to the best of my ability.

Signature

Signed before me this 10th day of October, 2007.

Witness

CH881474.1

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **Christopher Wolfe,** P.E., hereby swear and affirm that I will faithfully and loyally discharge my duties as a member of the Sanitary Board of the Town of Farmington, Marion County, West Virginia to the best of my ability.

Chris B Wolfe PE
Signature

Signed before me this 10 **day of** OCTOBER**, 2007.**

Witness

alt.

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **Michael Angelucci**, hereby swear and affirm that I will faithfully and loyally discharge my duties as a member of the Sanitary Board of the Town of Farmington, Marion County, West Virginia to the best of my ability.

Michael Angelucci
Signature

Signed before me this 5 **day of** Nov, **2007.**

Jon F. Sandusky
Witness

TOWN OF FARMINGTON
P O BOX 520
FARMINGTON, WV 26571

OATH OF OFFICE

I, **Ronald Jenkins**, hereby swear and affirm that I will faithfully and loyally discharge my duties as a member of the Sanitary Board of the Town of Farmington, Marion County, West Virginia to the best of my ability.

Ronald Z Jenkins
Signature

Signed before me this 11 (5th) **day of** 5 (November)**, 2007.**

Jon F. Sandera
Witness

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

PETITION OF SANITARY BOARD

The Sanitary Board of the Town of Farmington (the "Town") hereby petitions the Council of the Town to enact an ordinance directing that sewer revenue bonds of the Town be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $400,000 for the purposes of paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Town, together with all necessary appurtenances, and paying the costs of issuance and related costs.

Directed this 10th day of October, 2007.

SANITARY BOARD OF THE TOWN OF FARMINGTON

By: _____
Its: Chairman

273910.00001

ORDINANCE NO. 2005-01

AN ORDINANCE PROVIDING AND FIXING RATES AND CHARGES FOR WATER, WATER SERVICE, TAPPING FEES, SEWER, SEWER SERVICE AND SEWER FEES AND TO REPEAL ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE.

WHEREAS, pursuant to West Virginia Code Chapter 24, Article 2, Section 4b, the Town of Farmington has been empowered to assess rates and charges for water, water service, tapping fees, sewer, sewer service and sewer fees to its customers; and

WHEREAS, the Town Council of the Town of Farmington deems it necessary to increase the rates and charges for water and water service and sewer and sewer service to its customers in order to meet the necessary costs of providing such service due to increased operating costs.

NOW, THEREFORE, it is ordained by the Town Council of the Town of Farmington, that the rates and charges for water and water service and sewer and sewer service within the corporate limits of the Town of Farmington and all territories served outside the corporate limits of the Town of Farmington are as indicated on the schedule affixed hereto and made a part hereof.

It is further ordained that all ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed.

This ordinance shall be effective 45 days from passage.

Passed by the Town Council this 20TH day of JUNE, 2005.

MAYOR

ATTEST:

RECORDER

Applicable within and without the Corporate Limits of the Town of Farmington.

GENERAL SERVICE SEWER

Available for general domestic, commercial and industrial service

RATES

First 3,000 gallons used per month - $29.40 per month
Over 3,000 gallons used per month - $ 9.80 per 1,000 gallons

MINIMUM CHARGE – Metered Users

No bill will be rendered for less than $29.40 per month.

MINIMUM CHARGE – Unmetered Residential Users

A flat rate of $29.40 will be charged to all unmetered residential users such as those receiving water from wells.

DELAYED PAYMENT PENALTY

The above tariff is net. Any account not paid in full within twenty (20) days of the bill will have a ten percent (10%) penalty added to the amount due. The delayed penalty is not interest and is only to be collected once for each bill where it is appropriate.

SERVICE FEE

A service fee of $25.00 shall be charges for each time an account is activated or turned on.

SERVICE TAP FEE

A service connection fee of one hundred fifty ($150.00) will be charged to all applicants applying for sewer service.

6-6-05

ORDINANCE NO. 2005-01

AN ORDINANCE PROVIDING AND FIXING RATES AND CHARGES FOR WATER, WATER SERVICE, TAPPING FEES, SEWER, SEWER SERVICE AND SEWER FEES AND TO REPEAL ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE.

WHEREAS, pursuant to West Virginia Code Chapter 24, Article 2, Section 4b, the Town of Farmington has been empowered to assess rates and charges for water, water service, tapping fees, sewer, sewer service and sewer fees to its customers; and

WHEREAS, the Town Council of the Town of Farmington deems it necessary to increase the rates and charges for water and water service and sewer and sewer service to its customers in order to meet the necessary costs of providing such service due to increased operating costs.

NOW, THEREFORE, it is ordained by the Town Council of the Town of Farmington, that the rates and charges for water and water service and sewer and sewer service within the corporate limits of the Town of Farmington and all territories served outside the corporate limits of the Town of Farmington are as indicated on the schedule affixed hereto and made a part hereof.

It is further ordained that all ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed.

This ordinance shall be effective 45 days from passage.

Passed by the Town Council this _____ day of _____, 2005.

_____
MAYOR

ATTEST:

_____
RECORDER

Applicable within and without the Corporate Limits of the Town of Farmington.

GENERAL SERVICE WATER

Available for general domestic, commercial and industrial service

RATES

First	1,000 gallons used per month	$18.37 per 1,000 gallons used
Next	3,000 gallons used per month	$ 8.20 per 1,000 gallons used
Next	6,000 gallons used per month	$ 7.83 per 1,000 gallons used
Next	20,000 gallons used per month	$ 7.34 per 1,000 gallons used
Next	30,000 gallons used per month	$ 6.55 per 1,000 gallons used
Next	60,000 gallons used per month	$ 5.88 per 1,000 gallons used

SALES FOR RESALE

$4.72 per 1,000 gallons used per month

MINIMUM CHARGES

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to wit:

5/8 inch meter	$ 18.37 per month
3/4 inch meter	$ 24.00 per month
1 inch meter	$ 32.00 per month
1 1/4 inch meter	$ 55.00 per month
1 1/2 inch meter	$ 64.00 per month
2 inch meter	$105.00 per month
3 inch meter	$127.00 per month
4 inch meter	$240.00 per month
6 inch meter	$480.00 per month

DELAYED PAYMENT PENALTY

The above tariff is net. Any account not paid in full within twenty (20) days of the bill will have a ten percent (10%) penalty added to the amount due. The delayed penalty is not interest and is only to be collected once for each bill where it is appropriate.

RECONNECT FEE

Whenever the supply of water is turned off for violation of rules and regulations, non-payment of bills, or fraudulent use of water, a reconnect fee of $25.00 will be charged for restoring water service.

SERVICE FEE

A service fee of $12.50 shall be charges for each time an account is activated or turned on.

SERVICE TAP FEE

A tap fee of three hundred dollars ($300.00) shall be charged for each separate connection to the Farmington Water Works System on and after the effective date hereof.

Applicable within and without the Corporate Limits of the Town of Farmington.

GENERAL SERVICE SEWER

Available for general domestic, commercial and industrial service

RATES

First 3,000 gallons used per month - $29.40 per month
Over 3,000 gallons used per month - $ 9.80 per 1,000 gallons

MINIMUM CHARGE – Metered Users

No bill will be rendered for less than $29.40 per month.

MINIMUM CHARGE – Unmetered Residential Users

A flat rate of $29.40 will be charged to all unmetered residential users such as those receiving water from wells.

DELAYED PAYMENT PENALTY

The above tariff is net. Any account not paid in full within twenty (20) days of the bill will have a ten percent (10%) penalty added to the amount due. The delayed penalty is not interest and is only to be collected once for each bill where it is appropriate.

SERVICE FEE

A service fee of $25.00 shall be charges for each time an account is activated or turned on.

SERVICE TAP FEE

A service connection fee of one hundred fifty ($150.00) will be charged to all applicants applying for sewer service.

Tariff Form No. 12
(Tariff Rule 44)

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE, is hereby given that the Town of Farmington, a public utility, has adopted by ordinance on June 6, 2005, a tariff containing increased rates, tolls and charges for furnishing water service to 207 customers at Farmington, Little Laural Run Improvement Association and Sunny View Acres Water Project in the County of Marion.

The proposed increased rates and charges will become effective July 21, 2005 unless otherwise ordered by the Public Service Commission and will produce approximately $28, 810.00 annually in additional revenue, an increase of 24.6%. The average monthly bill for the various classes of customers will be changed as follows:

	($) INCREASE	INCREASE (%)
Residential	$ 7.63	24.6%
Commercial	$ 19.49	24.6%
Resale	$514.06	40%

Resale customers of Farmington include Little Laurel Run Improvement Association and Sunny View Acres Water Project.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should by addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at any of the following offices of the utility.

Farmington Town Hall
1314 Mill Street
PO Box 520
Farmington, WV 26571

A copy of the proposed rates is available for public inspection at the office of the Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia, 25323

Tariff Form No. 12
(Tariff Rule 44)

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE, is hereby given that the Town of Farmington, a public utility, has adopted by ordinance on June 6, 2005, a tariff containing increased rates, tolls and charges for furnishing sewer service to 250 customers at Farmington and Chatham Hill in the County of Marion.

The proposed increased rates and charges will become effective July 21, 2005 unless otherwise ordered by the Public Service Commission and will produce approximately $37,500.00 annually in additional revenue, an increase of 40%. The average monthly bill for the various classes of customers will be changed as follows:

	($) INCREASE	INCREASE (%)
Residential	$ 10.95	40%
Commercial	$ 25.83	40%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average, Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should by addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at any of the following offices of the utility.

Farmington Town Hall
1314 Mill Street
PO Box 520
Farmington, WV 26571

A copy of the proposed rates is available for public inspection at the office of the Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia, 25323

Town of Farmington
Town Council Meeting
Monday, June 06, 2005

A meeting of the Town Council was held on Monday, June 6, 2005 at 7:30 PM in the Council Chambers. The following members were present: Mayor Jon Sanders, Dorothy Hassan, Sam Lewis, Isabelle Roach, and Donna Costello. Absent were Barrie Sanders, Jr. and Jeff Singleton.

GUESTS

Steve Pasquariello, member of the community building committee, presented a check for $150.00 to be used toward the purchase of brick on the community building.

Josh Sturm reported to council that he has started work on the annexation.

MINUTES AND FINANCIAL REPORTS

After review of the previous Council minutes, members updated Council on various items covered in those minutes. Sharon Lewis reported she had spoken with Dr. Manchin about the use of the parking located along Railroad Street. Due to insurance and liability the proposed yard sale cannot be held on the parking lot, however, they can park there. Council suggested holding off on yard sales until the fall. Jon stated participation in this year's MDA bike-a-thon was down and the handi-cap signs were in to be placed at the community building. Donna stated Mr. & Mrs. Jenkins were the winners of the yard of the Season. With no further changes or updates Donna Costello made a motion to dispense with the reading of the minutes. Motion seconded by Isabelle Roach and approved by a voice vote of Council. Sam Lewis presented the financial reports. Dorothy asked about the category software maintenance. Sam explained this was an annual maintenance agreement. With no questions on the reports, Mayor Sanders ordered the financial reports stand as presented. Sam Lewis then presented all outstanding bills for payment. Dorothy Hassan made a motion to pay all outstanding bills. Isabelle Roach seconded the motion. Motion carried on a voice vote of council.

COUNCIL & OTHER BUSINESS

Donna Costello made a motion to purchase 2 planters and 2 flowerpots not to exceed $75.00. Sam seconded the motion and motion carried by voice vote of council. Donna also asked about the building behind Willie Toothman's garage being condemned. Mayor stated it is the property of Mr. Opyoke and it is being used as a storage building. Since it has a fairly new roof and four sides, the Town cannot condemn this property. However, he will speak with Mr. Opyoke about purchasing the property.

Jon mentioned all playground equipment has been removed except for the merry-go-round and jungle gym. He will also be speaking with property owners Manchin and Opyoke to purchase property for new playground site. Jon also mentioned that a bid has

been placed for a paver from the City of Mannington for $850.00. Looks good at this time, however, if we don't win the bid, we will start patching.

Vonda Loudin made a request to have the grass cut and cleaned up at the Day Care and the playground at that area as well. Donna stated she would speak with Freda at BB&T to get this done. Vonda informed council the community building has a large crack in the ceiling that needs repaired. Mayor stated Petrucci Brothers Contracting has been procured to repair. Handouts of shut-off list on Police Protection and water/sewer bills were given to council.

Sam Lewis present and read first reading of ordinance 2005-01 for rate increase of water /sewer rates. Donna motioned to accept the reading of the ordinance 2005-01 as read and Isabelle Roach seconded the motion. Motion was carried on a voice vote of Council.

With no further business before Council, Donna motioned to adjourn. Isabelle Roach seconded the motion. The motion to adjourn at 8:30 PM was approved by a voice vote.

Recorder

Mayor

Town of Farmington
Town Council Meeting
Monday, June 20, 2005

A meeting of the Town Council was held on Monday, June 20, 2005 at 7:30 PM in the Council Chambers. The following members were present: Mayor Jon Sanders, Dorothy Hassan, Sam Lewis, Isabelle Roach, and Donna Costello. Absent were Barrie Sanders, Jr. and Jeff Singleton.

CANVASED VOTES FROM ELECTION

Donna Costello made a motion to accept vote record as recorded. Motion seconded by Dorothy Hassan. Motion carried on a voice vote of council.

GUESTS

Ruth McKinney congratulated everyone on the re-election for 2 yrs and said "Keep up the good job."

MINUTES AND FINANCIAL REPORTS

Mayor Sanders informed council Town did not get the paver, however, it is going up at auction and asked permission to bid at that time. Council approved the request. With no other statements or comments, minutes stand as reported. Sam Lewis presented the financial reports. With no questions on the reports, Mayor Sanders ordered the financial reports stand as presented. Sam Lewis then presented all outstanding bills for payment. Dorothy Hassan made a motion to pay all outstanding bills. Isabelle Roach seconded the motion. Motion carried on a voice vote of council.

PROPOSED SW/WR RATE INCREASE

*Third reading of ordinance 2005-01 and Tariff Rule 44. Donna motioned to accept the proposed sewer/water rate increase as read, seconded by Isabelle. Motion approved.

COUNCIL & OTHER BUSINESS

Sam announced that the Little League "Fringe League" A&B teams were tournament winners and asked to have some kind of recognition by Town of Farmington. Mayor suggested a message be placed on the FVFD sign. All agreed.

Swearing in of the newly elected officers. Donna, Dorothy, and Isabelle all stated their appreciation for the opportunity to serve the Town for 2 more years.

Sam announced he will be leaving this area within a couple months due to personal reasons. He will assist in any way to get a replacement trained before he leaves.

Jon reported speaking with Mr. Opyoke regarding the purchase of his property along the ballfield. Mr. Opyoke will sell for $1,000.00. Donna motioned to purchase property, Isabelle seconded; motion approved.

Manchin property by ballfield can be purchased by even trade for 10 feet of Town's property along Route 250 N. Donna motioned to proceed with trade, seconded by Dorothy; motion approved.

With no further business before Council, Donna motioned to adjourn. Isabelle Roach seconded the motion. The motion to adjourn at 8:30 PM was approved by a voice vote.

Yvonne Mayer
Recorder

Jon L. Sanders
Mayor

AFFIDAVIT OF PUBLICATION

005242

State of West Virginia

County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath,

do dispose and say that I am Legal Clerk of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMES WEST VIRGINIAN** an Independent newspaper:

that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below, that such newspaper is regularly published daily except Saturday and Sunday, for at least fifty weeks during the calendar year, in the Municipality of Fairmont, Marion County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforementioned municipality and Marion County; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial or social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices.

that the annexed notice of Hearing was duly published in said newspaper once Week for 2 successive Weeks (Class II), commencing with the issue of the 10 day of June, 2005, and ending with the issue of the 18 day of June, 2005, and was posted at the front door of the Marion County Courthouse on the 10 day of June, 2005; that said annexed notice was published on the following dates: June 10, 18, 2005

and the cost of publishing said annexed notice as aforesaid was $ 42.22

Beverly A. Miller

Taken, subscribed and sworn to before me in said county this 23 day of June, 2005.

My commission expires Jan 24, 2010

Notary Public of Marion County, West Virginia

Legals

NOTICE

TOWN OF FARMINGTON

Notice is hereby given that the Town of Farmington, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of water and sewer rates for

Legals

customers of the water and sewer system operated by the Town of Farmington. The title of such ordinance is "An Ordinance to Increase Water and Sewer Rates". The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the Town of Farmington, Town Hall, 1314 Mill Street,

Legals

Farmington, West Virginia on Monday, June 20, 2005, at seven thirty o'clock (7:30) p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance at available at the Office of the Clerk, Town Hall, Town of Farmington

Times: June 10, 18, 2005

AFFIDAVIT OF PUBLICATION

005341

State of West Virginia
County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath,

do dispose and say that I am Legal Clerk of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMES WEST VIRGINIAN** an Independent newspaper:

that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below, that such newspaper is regularly published daily except Saturday and Sunday, for at least fifty weeks during the calendar year, in the Municipality of Fairmont, Marion County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforementioned municipality and Marion County; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial or social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices.

that the annexed notice of Rates was duly published in said newspaper once day for 1 successive day (Class I), commencing with the issue of the 7 day of July, 2005, and ending with the issue of the 7 day of July, 2005, and was posted at the front door of the Marion County Courthouse on the 7 day of July, 2005; that said annexed notice was published on the following dates: July 7, 2005

and the cost of publishing said annexed notice as aforesaid was $ 56.66

Beverly A. Miller

Taken, subscribed and sworn to before me in said county this 1 day of August, 2005.

My commission expires April 21, 2009.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Toni A. Riser
300 Quincy Street
Fairmont, WV 26554
My Commission Expires Apr. 21, 2009

Toni A. Riser
Notary Public of Marion County, West Virginia

Tariff Form No. 12
(Tariff Rate 44)

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the Town of Farmington, a public utility, has adopted by ordinance on June 20, 2005, a tariff containing increased rates, tolls and charges for furnishing sewer service to 250 customers at Farmington and Chatham hill in the County of Marion.

The proposed increased rates and charges will become effective August 3, 2005 unless otherwise ordered by the Public Service Commission and will produce approximately $37,500.00 annually in additional revenue, an increase if 40% The average monthly bill for the various classes of customers will be changed as follows:

($)INCREASE	INCREASE(%)
Residential	
$10.95	40%
Commercial	
$25.83	40%

The increases shown are based on average of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases and decreases) by the Public Service Commission in its review of this filing The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges by:

(1) Any customer aggrieved by the changed rates or changes who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petition should by addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, PO Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative to the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at any of the allowing offices of the utility.

Farmington Town Hall
1314 Mill Street
PO Box 520
Farmington,W V 26571

A copy of the proposed rates is available for public inspection at the office of the Secretary of the Public Service Commission at 201 Brooks Street, PO Box 812 Charleston, West Virginia 25323

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

MINUTES ON ADOPTION OF BOND ORDINANCE, SUPPLEMENTAL RESOLUTION AND FIRST DRAW RESOLUTION

The undersigned Recorder of the Town of Farmington (the "Town") hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Town:

*** *** ***

The Council of the Town met in special session, pursuant to notice duly posted, on the 5th day of November, 2007, in Farmington, West Virginia, at the hour of 6:30 p.m.

PRESENT:

Jon F. Sanders	- Mayor
Yvonne Moyer	- Recorder
Donna Costello	- Councilmember
Valerie Sanders	- Councilmember
Barry Sanders, Jr.	- Councilmember
Dorothy Hassan	- Councilmember
Isabelle Roach	- Councilmember

ABSENT: None.

Jon F. Sanders, Mayor, presided, and Yvonne Moyer, acted as Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

> ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF FARMINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Donna Costello and seconded by Barry Sanders, Jr., it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

Thereupon the Mayor then presented a proposed Supplemental Resolution in writing entitled:

> SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF FARMINGTON; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS

TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Isabelle Roach and seconded by Valerie Sanders, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Whereupon, the Mayor presented a resolution authorizing the first draw from the proceeds of the Bonds. Following discussion of said resolution, and motion by Donna Costello and seconded by Isabelle Roach, it was unanimously ordered that the said Resolution be adopted and put in full force and effect on and from the date hereof.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the Town of Farmington and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 14th day of November, 2007.

Yvonne Mayer
Recorder

10.29.07
273910.00001

Town of Farmington
Town Council Meeting
Monday, September 17, 2007

A meeting of the Town Council was held on Monday, September 17, 2007 at 7:30 PM in the Council Chambers. The following members were present: Mayor Jon Sanders, Yvonne Moyer, Donna Costello, Barrie Sanders, Isabelle Roach and Valerie Sanders. Dorothy Hassan was absent.

GUESTS

Rosemary Raschella/Region VI, Larry Nester, Veronica Nett of the Times WV, and Josh Sturm attended the meeting.

Rosemary gave a detailed breakdown for draw down #15 with a total amount of $217,867.40 was presented for Councils' approval. Donna made a motion to except and pay drawn down #15 in the amount of $217.867.40. Motion seconded by Isabelle and carried on a voice vote. Mayor Sanders signed required forms for water project.

MINUTES AND FINANCIAL REPORTS

Donna made a motion to dispense with the reading of the minutes. Motion seconded by Isabelle and carried on a voice vote. Yvonne presented fund balances and with no questions or corrections Mayor ordered, "Stands as read." Yvonne presented bills received for payment. Isabelle made a motion to pay all presented bills. Motion seconded by Barrie and carried on a voice vote.

COUNCIL & OTHER BUSINESS

Isabelle made a motion to adopt the Marion County Noise Nuisance Ordinance. Valerie seconded the motion and vote carried on a voice vote. Yvonne and Donna provided first reading, however, during the reading it was made aware that the ordinance needed to be redone to fit the needs of the Town. Joshua Sturm is to make necessary changes and present to Council at the next scheduled meeting for 1st reading.

Donna stated the issue of trash and debris at residence on Underwood is still a problem. Donna asked/requested that the Town's line of credit be used to obtain the remaining money needed to complete the community building project. With the Bower's grant and money already collected to date $16, 000 of the projected cost is available and the requested amount of $4,000 should allow for the completion of this project. Barrie made a motion to use $4,000 from the Town's line of credit to complete the community building project. Motion seconded by Isabelle and carried on a voice vote.

Yvonne presented a resolution on Open Governmental Procedures. Donna made a motion to adopt the resolution as read. Motion was seconded by Isabelle and carried on a voice vote.

Jon stated that a Sanitary Board has to be set up for the proposed Sewer Revenue Bonds. He is to reside over the Board and must consist of 2 other members and 1 certified PE. Mike Angelucci and Ronald Jenkins were nominated as the other members and the PE to be appointed later. Barrie made a motion to appoint Mike Angelucci and Ronald Jenkins to serve on the Board. Motion was seconded by Donna and carried on a voice vote.

First reading of the issuance of Sewer Revenue Bonds ordinance given by Yvonne. Barrie made a motion to accept the reading. Seconded by Isabelle and carried on a voice vote.

Josh presented 2 copies of a proposed water agreement from Monongah Water Dept for approval. The agreement specified that Monongah will supply water to the Town of Farmington up to 2,600,000 gallons per month at the rate of $1.85 - $1.93 upon completion. This is a 40-year agreement. Donna asked if this agreement met all the guidelines stipulations the Town was requesting. Jon said he and Josh had reviewed if and everything was met. Donna made the motion to accept the proposed agreement. Valerie seconded the motion and motion carried on a voice vote.

Josh stated that a change was made to settle and complete the issue with Mr. Elekes and his sisters regarding the property site of the water storage tanks. A deed document giving a small piece of property owned by the Town signed over to them was approved.

Josh stated the sewer project is moving right along. There are 4 right-of-way agreement signatures of property owners coming down the hill to the main meter pit needed.

Arnold reported he answered calls for 3 fights, domestic issues, wrote several citations, and that a light bar for the cruiser had been purchased.

Jon said the painters should be in to paint the old tank within 1 – 2 weeks at a cost of $48,000 - $49,000. After painting is completed the fence will be put up to bring everything to compliance. Paving is to begin Monday, September 24, 2007 according to the supervisor of Ground Breakers. Work started today on setting up equipment on the playground with the assistance of 5 inmates and 1 correctional officer. Jon asked if the Town out of petty cash could provide lunches for them. Council approved this request.

Jon informed Council of the status on the Government Enhancement Program where the Town is looking at new sidewalks, step and getting the old bridge removed or fixed as a pedestrian bridge. The problem is the matching funds of 20%. This has to be covered by the Governor's Contingency Fund or the project cannot go forward. Jon stated he is waiting on a call back from Joe Martin at the Governor's office to confirm whether or not matching funds are covered. Rosemary of Region VI stated that Kent Rollins has experience working on this type of program and can assist in the application process if Jon would like.

Jon instructed Arnold to check on the parking on Morgantown and Second Street for violations.

With no further business to be presented, Barrie made a motion to adjourn the meeting. Isabelle seconded the motion and motion carried on a voice vote. Meeting adjourned at 8:45 PM.

Jon F. Sanders
Mayor

Yvonne Moyer
Recorder

10/15/07
OK

Town of Farmington
Town Council Meeting
Monday, October 1, 2007

A meeting of the Town Council was held on Monday, October 1, 2007 at 7:30 PM in the Council Chambers. The following members were present: Mayor Jon Sanders, Yvonne Moyer, Donna Costello, Barrie Sanders, Jr., Isabelle Roach and Valerie Sanders. Dorothy Hassan was absent.

GUESTS

Ruth McKinney, Larry Nester, Nellie Glasscock, Tim Bosley and Josh Sturm.

Nellie Glasscock ask for monetary assistance from the Town Council to pay utility bills to keep the Farmington Senior Center open. Isabelle made a motion to donate $250 to help pay utility bills. Motion was seconded by Valerie and carried on a voice vote. Nellie asked if assistance in building a ramp for Dorothy Hassan so she can more easily get on and off the bus that takes her to dialysis. Jon said it was being looked into by the FVFD to build one for her.

Ruth McKinney said the parking on 2nd and Morgantown was doing okay. Ruth asked about the retaining wall up by her residence. She said the concrete is reiterating and needs replaced before it allowed the road to give way. Jon said they are talking with different contracting company to see the best way to address the matter.

Tim Bosley reported on the WWTP lift station shutting down. New lift pumps (2) had to be order and are now installed, up and running. In regard to the sewer line extension he is recommending that any food facility have regulation grease traps in place to prevent any damage to the Plant. Tim stated he has spoken with Paul Benduman regarding the Leach Ate project. Tim will get most recent testing and make a recommendation to the Council as to if feasible then Council can make their decision.

MINUTES AND FINANCIAL REPORTS

Donna made a motion to dispense with the reading of the minutes, seconded by Barrie and carried on a voice vote. Yvonne presented the fund balances. With no questions, Mayor ordered stands as read. Bills were submitted for payment. Isabelle made a motion to pay all presented bills. Seconded by Valerie and carried on voice vote.

Yvonne gave seconded reading of the Ordinance for Sewer Bonds. Donna motion to adopt the Ordinance as read. Isabelle seconded the motion and motion carried on a voice vote.

COUNCIL & OTHER BUSINESS

Donna Costello made a motion to change meeting time from 7:30 PM to 6:30 PM during the winter months starting October 15, 2007. All Council and Mayor in agreement. Donna asked about Halloween Parade and Trick or Treat date and time. It was decided October 31, 2007 on original date with parade at 6:30 PM and Trick or Treat from 7:00 PM to 8:00 PM. Donna asked if a date for the Christmas Parade could be set so NMHS Band can be contact. A date of December 21, 2007 at 6:30 PM with cookies and hot cocoa to follow was set.

Donna is to take care of getting NMHS Band. The trash and garbage on Underwood is still an issue. Some has been removed, however, since this is an ongoing problem is trash needs to be totally cleaned up and removed. Donna stated there is a loose dog (pit bull type) that has shown visas action toward some residents in the Wiley Street area. The Animal Control was notified and they instructed Donna to have police officer to put in report so it is documented. That way if the animal has to be destroyed documentation will be available.

Isabelle requested a dusk to dawn light be placed at the new playground and commented on how nice the playground looks. Jon stated this was already being done. Isabelle said that Carolyn Darrah's son-in-law has been speeding pass her residence and on Anderson Street. Arnold was instructed to patrol this area at different times in the afternoon and evening.

Jon stated the painting of the storage tank is to begin Wednesday, October 03, 2007. Jon informed Council that Harold Simmons/WVDOH who is assisting with the Community Enhancement Program is coming to meet with Donna on October 11th at 10:00 AM to complete the applications for funding. Milling of Main Street will begin Friday, October 5th to ready the road surface for blacktop.

Josh Sturm informed Council the property issue between the Town and Mr. Elekes is completed. Josh gave handouts of the revised Noise Nuisance Ordinance. After Council looked over it, it was decided to table any action on adopting ordinance until next meeting. Josh stated a packet regarding the sewer bonds for the sewer project sent by Katy Mallory of Steptoe and Johnson was received. Ms. Mallory is requesting various information and Josh stated he has not had the opportunity to look at it yet. Jon stated he also has received a letter from Ms. Mallory that asked for things to be completed that were to be attached, but there were no other sheets.

Jon is to set up a meeting with Josh, Randy Watson and himself regarding the water line project. Jon is also scheduling a meeting with Dan Farrell, Dave Watson, and Josh to go over sewer line extension project status and to make sure everything is in compliance to start.

With no further business to be conducted, Barrie motioned the meeting be adjourned. Isabelle seconded and motion carried on a voice vote. Meeting adjourned at 8:30 PM.

Jon F. Sandew
Mayor

Yvonne Mayer
Recorder

NOTICE OF PUBLIC HEARING ON TOWN OF FARMINGTON BOND ORDINANCE

A public hearing will be held on the followingentitled Ordinance at a regular meeting of the Council of the Town of Farmington (the "Town") to be held on Monday, November 5, 2007, at 6:30 pm at the Town of Farmington, Town Hall, Farmington, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF FARMINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The abovequoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide financing for the acquisition and construction of the improvements to the existing wastewater system and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the Town of Farmington on October 1, 2007. A certified copy of the aboveentitled Ordinance is on file with the Town for review by interested parties during regular office hours.

Following the public hearing, the Town intends to enact the Ordinance upon final reading.

Dated: October 2, 2007

/s/ Jon Sanders
Mayor

AFFIDAVIT OF PUBLICATION

007526

State of West Virginia
County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath, do dispose and say that I am Legal Clerk of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMES WEST VIRGINIAN** an Independent newspaper:

that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below, that such newspaper is regularly published daily except Saturday and Sunday, for at least fifty weeks during the calendar year, in the Municipality of Fairmont, Marion County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforementioned municipality and Marion County; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial or social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices.

that the annexed notice of Hearing was duly published in said newspaper once week for 2 successive weeks (Class II), commencing with the issue of the 22 day of October, 2007, and ending with the issue of the 29 day of October, 2007, and was posted at the front door of the Marion County Courthouse on the 22 day of October, 2007; that said annexed notice was published on the following dates: October 22, 29, 2007

and the cost of publishing said annexed notice as aforesaid was $ 136.80

Beverly A. Miller

Taken, subscribed and sworn to before me in said county this 21 day of November, 2007,

My commission expires April 21, 2009

Jane A. Rucer
Notary Public of Marion County, West Virginia

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

NEW ISSUE REPORT FORM

Date of Report: November 14, 2007

(See Reverse for Instructions)

ISSUE: Town of Farmington Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 520
Farmington, WV 26571

COUNTY: Marion

PURPOSE OF ISSUE: New Money: X
Refunding: ____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: November 14, 2007

CLOSING DATE: November 14, 2007

ISSUE AMOUNT: $ 320,000

RATE: 0%

1ST DEBT SERVICE DUE: December 1, 2008

1ST PRINCIPAL DUE: ____

1ST DEBT SERVICE AMOUNT: $ 2,052

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: John Stump, Esquire
Phone: (304) 353-8196

UNDERWRITERS COUNSEL: Jackson Kelly PLLC
Contact Person: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK: Branch Banking and Trust
Contact Person: Loretta Jenkins
Phone: 304. 825.6565

ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Jon F. Sanders
Position: Mayor
Phone: (304) 825-6442

OTHER: WV Infrastructure Jobs Development Council
Contact Person: Jefferson Brady, P.E.
Function: Executive Director
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE:
By: X Wire
____ Check

____ Accrued Interest: $____
____ Capitalized Interest: $____
X Reserve Account: $ 8,208
____ Other: ____ $____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $____
____ To Issuer $____
____ To Cons. Invest. Fund $____
____ To Other: ____ $____

NOTES: The Series 2007 A Bonds Reserve Account will be funded at closing from bond proceeds.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

CH848375.2

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

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

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

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

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

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

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Branch Banking and Trust Company , Farmington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the Town of Farmington (the "Issuer") enacted by the Issuer on November 5, 2007, and a Supplemental Resolution adopted by the Issuer on November 5, 2007 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated November 14, 2007, in the aggregate principal amount of $320,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 14th day of November, 2007.

BRANCH BANKING AND TRUST COMPANY

By: Brandi Dennant
Its: Authorized Officer

10.23.07
273910.00001

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Farmington Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated November 14, 2007, in the aggregate principal amount of $320,000, (the "Series 2007 A Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2007 A Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2007 A Bonds.

WITNESS my signature on this 14th day of November, 2007.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

10.23.07
273910.00001

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the Town of Farmington (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer, dated November 14, 2007, in the principal amount of $320,000, numbered AR-1, registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 14th day of November, 2007.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

10.23.07
273910.00001

TOWN OF FARMINGTON

Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 14th day of November, 2007, by and between the TOWN OF FARMINGTON, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $320,000 principal amount of Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Series 2007 A Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted November 5, 2007, and a Supplemental Resolution of the Issuer duly adopted November 5, 2007 (collectively, the "Bond Legislation");

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

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2007 A Bonds; and

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out

the powers and duties of Registrar for the Series 2007 A Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2007 A Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Series 2007 A Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

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

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

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

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

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

ISSUER: Town of Farmington
Post Office Box 520
Farmington, West Virginia 26571
Attention: Mayor

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

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Series 2007 A Bonds in accordance with the Bond Legislation.

[Remainder of Page Intentionally Blank]

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

TOWN OF FARMINGTON

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

10.29.07
273910.00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date November 14, 2007

Town of Farmington
Account Number 6089001809

Town of Farmington
Sewer Revenue Bonds, Series 2007 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR November, 2007

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
* .. GRIFFITH, PO BOX 633, CHARLESTON, WV 25322-0633 . . . . . .*

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

20-749

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

1KM
Dave
Dan F
Permit

WASHINGTON and CAPITOL STREETS 1 DAVIS SQUARE, SUIE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

PERMIT

PROJECT: (Sewer) Route 250 North Sewer Extension PERMIT NO.: 17,238

LOCATION: Farmington COUNTY: Marion DATE: 9-15-2006

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Town of Farmington
1314 Mill Street
Farmington, WV 26571

is hereby granted approval to: install approximately 2,022 LF of 8" sewer line and necessary cleanouts and manholes.

Facilities are to serve 12 customers along Route 250 North at the Town of Farmington.

Note: This permit is contingent upon maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be installed above the sewer line.

The Environmental Engineering Division of the Philippi OEHS District Office (304) 457-2296, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

RECEIVED
2006 NOV 22 AM 8:49
W. V. PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:emt

pc: Thrasher Engineering
Katheryn Emery, P.E., DEP
James W. Ellars, P.E., Engineering Division-PSC
Amy Swann, PSC
Marion County Health Department
OEHS-EED Philippi District Office

RECEIVED
SEP 20 2006
THRASHER ENGINEERING, INC.

DAVE WATSON

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
414 SUMMERS STREET, SECOND FLOOR
CHARLESTON, WV 25301

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0021865
SUBJECT: Sewage

ISSUE DATE: November 12, 2003
EFFECTIVE DATE : December 12, 2003
EXPIRATION DATE: November 11, 2008
SUPERSEDES: Permit No. WV0021865 dated May 13, 1998

LOCATION:	FARMINGTON	Marion	Monongahela River
	(City)	(County)	(Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: FARMINGTON CITY OF
PO BOX 520
FARMINGTON, WV 26571

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:
operate and maintain an existing 130,000 gallon per day sewage collection and treatment system consisting of the various sizes and lengths of gravity sewer line, 118 manholes, two (2) lift stations, 4.75 linear feet of two (2) inch force main, eighty (80) linear feet of four (4) inch force main, a bar screen, grit removal system, 129,000 gallon aeration chamber with two (2) 5 horsepower blowers, two (2) 28,200 gallon clarifiers, a 1,500 gallon post aeration unit, 24,000 gallon aerated sludge holding tank, an ultraviolet (UV) light disinfection unit, and all other necessary appurtenances.

Facilities are designed to serve a maximum of 800 persons in the Town of Farmington and to discharge treated wastewater to Buffalo Creek (9.5 miles from its mouth) of the Monongahela River.

This permit is subject to the following terms and conditions :
The information submitted on and with Permit Application Number WV0021865 dated the 21st day of January 2003 are all hereby made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein and with other conditions set forth in Sections A, B, C, D, E, and Appendix A.

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

TOWN OF FARMINGTON

Sewer Revenue Bonds,
Series 1999 A and Series 1999 B
(United States Department of Agriculture)

BOND ORDINANCE

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TOWN OF FARMINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF FARMINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $315,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND NOT MORE THAN $80,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 B (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

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 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Farmington (the "Issuer") is a municipal corporation and a political subdivision of the State of West Virginia in Marion County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to finance, acquire, construct and operate certain additional public sewerage facilities consisting of certain additions, betterments and improvements to such existing sewerage facilities, with all appurtenant facilities. The Sanitary Board of the Issuer has duly petitioned

the Council for passage of this Ordinance, which petition was heretofore filed with the Recorder.

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 sewerage facilities of the Issuer, consisting of approximately 3,443 linear feet of 8-inch sewer lines, approximately 6,685 linear feet of 6-inch sewer lines, manholes, a simplex sewage pump station, a 125,000 gpd wastewater treatment facility, grit removal channel, a duplex main submersible sewage pump station, a dual channel orbal oxidation ditch, two clarifiers, ultraviolet disinfection, post aeration, sludge holding tank, sludge bagger system, together with all necessary appurtenant facilities (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 sewerage facilities of the Issuer, together with the Project and any further additions, betterments and improvements thereto, 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 (hereinafter defined) and all funds and accounts and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $2,400,000, of which $395,000 will be obtained from the proceeds of sale of the Series 1999 Bonds herein authorized, $755,000 will be obtained from a grant by the Purchaser, and $1,250,000 will be obtained from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

E. It is necessary for the Issuer to issue its sewer revenue bonds in two series, being the Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), in the aggregate principal amount of $315,000 (the "Series 1999 A Bonds"), and the Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture), in the aggregate principal amount of $80,000 (the "Series 1999 B Bonds") (collectively, the "Series 1999 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 any property rights, easements and franchises, deemed necessary or convenient therefor; interest on the Series 1999 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 and legal expenses; expenses for estimates of costs and revenues; expenses for

plans, specifications and surveys; 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 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 after completion of the Project is not less than 40 years.

G. There is outstanding an obligation of the Issuer which will rank on a parity with the Series 1999 Bonds as to liens, pledge and source of and security for payment, being a note dated October 4, 1966, issued in the original aggregate principal amount of $127,500 (the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Series 1999 Bonds as to liens, pledge and source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, the ordinances and resolutions authorizing the issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of the Series 1999 Bonds.

H. It is in the best interest of the Issuer that the Series 1999 Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions.

I. The Issuer has complied with all requirements of law relating to 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 1999 Bonds, or will have so complied prior to issuance thereof, including among other things and without limitation, the approval of the Project and the financing thereof, by the West Virginia Infrastructure and Jobs Development Council and obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired prior to the issuance of the Series 1999 Bonds.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Series 1999 Bonds for the purposes set forth herein.

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

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Series 1999 Bonds by those who shall be the Registered Owners (hereinafter defined) 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 Owners, 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 Owners of the Series 1999 Bonds.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended.

"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 Series 1999 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Consulting Engineer" means Thrasher Engineering, Inc., Clarksburg, 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 in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

"Depository Bank" means One Valley Bank, Farmington, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewer 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.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year 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 principal of and interest on which are guaranteed by, the United States of America.

"Grants" means, collectively, all grants received by the Issuer for the Project.

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

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

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated January 15, 1997, and all amendments thereto.

"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 1999 Bonds in the then current or any succeeding year.

"Net Revenues" means the balance of the Revenues or 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, 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 Bonds and into all funds and accounts have been made to the last monthly payment date prior to the date of such retention.

"Ordinances" means, collectively, the Prior Ordinance and the Bond Legislation.

"Prior Bonds" means the outstanding note dated October 4, 1966, of the Issuer, described in Section 1.02G hereof.

"Prior Ordinance" means the ordinance of the Issuer enacted June 20, 1966, authorizing the Prior Bonds.

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

"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:

(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 Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is 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.

"Recorder" means the Recorder of the Issuer.

"Registered Owners," "Bondholders," "Holders of the Bonds" or any similar term means any person who shall be the registered owner of 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.

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1999 Bonds" means, collectively, the Series 1999 A Bonds and the Series 1999 B Bonds defined below.

"Series 1999 A Bonds" means the Sewer Revenue Bonds, Series 1999 A, of the Issuer, authorized to be issued hereby.

"Series 1999 B Bonds" means the Sewer Revenue Bonds, Series 1999 B, of the Issuer, authorized to be issued hereby.

"State" means the State of West Virginia.

"System" means the complete sewerage facilities of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $2,400,000, 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 1999 Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 1999 Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture)" and "Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture)," are hereby authorized to be issued in the respective principal amounts of $315,000 and $80,000 for a total aggregate principal amount of not exceeding $395,000, 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. A. The Series 1999 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 1999 A Bonds shall bear interest from date of delivery, payable monthly at the rate of 4.5% per annum, and shall be sold for the par value thereof.

B. The Series 1999 B Bonds shall be issued in single form, numbered BR-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 1999 B Bonds shall bear interest from the date of delivery, payable monthly at the rate of 4.5% per annum, and shall be sold for the par value thereof.

The Series 1999 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 respective Bond forms hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 1999 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 1999 Bonds, and the right to principal of and stated interest on the Series 1999 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 1999 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 1999 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 Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 1999 Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Series 1999 Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 1999 Bonds initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of the Series 1999 Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 1999 Bonds for registration or 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 1999 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 1999 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 1999 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 1999 Bonds shall cease to be such officer of the Issuer before the Series 1999 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 1999 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 1999 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver new Bonds of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds 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 1999 Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 1999 Bonds shall have matured or be about to mature, instead of issuing substitute Bonds the Issuer may pay the same, and, if such 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 1999 Bonds shall be secured forthwith equally and on a parity with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues of the Holders of the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 1999 Bonds and the Prior 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 1999 Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 1999 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 1999 A BOND)

TOWN OF FARMINGTON

SEWER REVENUE BOND, SERIES 1999 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$315,000

No. AR-1 Date: _____

FOR VALUE RECEIVED, the TOWN OF FARMINGTON (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 THREE HUNDRED FIFTEEN THOUSAND DOLLARS ($315,000), plus interest on the unpaid principal balance at the rate of 4.5% 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 $1,446, 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 hereinbelow. 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 construction and acquisition of additions, betterments, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance 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 said office of the 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 16, Article 13 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted May 17, 1999, authorizing issuance of this Bond (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 Farmers Home Rural Development Act. 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1999 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 1999, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $80,000; AND

(ii) A NOTE DATED OCTOBER 4, 1966, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $127,500, AND DESCRIBED IN THE ORDINANCE.

IN WITNESS WHEREOF, the TOWN OF FARMINGTON 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 FARMINGTON
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

Post Office Box 520
(P. O. Box No. or Street Address)

Farmington, West Virginia 26571
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 1999 B BOND)

TOWN OF FARMINGTON

SEWER REVENUE BOND, SERIES 1999 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$80,000

No. BR-1 Date: _____

FOR VALUE RECEIVED, the TOWN OF FARMINGTON (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 EIGHTY THOUSAND DOLLARS ($80,000), plus interest on the unpaid principal balance at the rate of 4.5% 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 $368, 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 hereinbelow. 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 construction and acquisition of additions, betterments, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance 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 said office of the 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 16, Article 13 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted May 17, 1999, authorizing issuance of this Bond (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 Farmers Home Rural Development Act. 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1999 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 1999, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $315,000; AND

(ii) A NOTE DATED OCTOBER 4, 1966, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $127,500, AND DESCRIBED IN THE ORDINANCE.

IN WITNESS WHEREOF, the TOWN OF FARMINGTON 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 FARMINGTON
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Mayor
(Title of Executive Official)

Post Office Box 520
(P. O. Box No. or Street Address)

Farmington, West Virginia 26571
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

Dated: _____, _____.

_____

In the presence of:

_____

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 (or continued if previously established by the Prior Ordinance), 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 Ordinance as the "Sewer Fund");

(2) Operation and Maintenance Account (established by the Prior Ordinance as the "Sewer System Operation and Maintenance Account");

(3) Prior Bonds Sinking Account (established by the Prior Ordinance as the "Sewer System Note and Interest Sinking Account");

(4) Prior Bonds Reserve Account (established by the Prior Ordinance as the "Sewer System Note Reserve Account");

(5) Depreciation Account (established by the Prior Ordinance as the "Sewer System Depreciation Account");

(6) Series 1999 Bonds Reserve Account; and

(7) Project Construction Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 1999 Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction 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. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account 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 1999 Bonds if there are not sufficient Net Revenues to make such monthly payment.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Pending application as provided in this Section 4.02, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When 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 Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 1999 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1999 Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 1999 Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holders of the Series 1999 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 Ordinance:

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

(2) The Issuer shall next, each month, on or before the due date of payment of each installment on the Prior Bonds and the Series 1999 Bonds, transfer from the Revenue Fund and (i)

remit to the Depository Bank, the amount required by the Prior Ordinance to be deposited in the Prior Bonds Sinking Account for payment of the principal of and interest on the Prior Bonds; and (ii) remit to the National Finance Office, the amount required to pay the interest on the Series 1999 Bonds and to amortize the principal of the Series 1999 Bonds over the respective life of the Series 1999 Bonds. All payments with respect to principal of and interest on the Prior Bonds and the Series 1999 Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (i) for deposit into the Prior Bonds Reserve Account, the amount required by the Prior Ordinance to be deposited therein; and (ii) for deposit into the Series 1999 Bonds Reserve Account, 0.4167% of the Minimum Reserve, until the amount in the Series 1999 Bonds Reserve Account equals the Minimum Reserve. Moneys in the Series 1999 Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 1999 Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 1999 Bonds, or for mandatory prepayment of the Series 1999 Bonds as hereinafter provided, and for no other purpose.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit into the Depreciation Account, (i) the amount required by the Prior Ordinance to be deposited therein; and (ii) 0.4167% of the Minimum Reserve, until the amount in the Series 1999 Bonds Reserve Account equals the Minimum Reserve, and thereafter, 0.8334% of the Minimum Reserve, so long as the Series 1999 Bonds are outstanding; provided, however, that in the event Revenues are insufficient to fund the Series 1999 Bonds Reserve Account in accordance with Section 4.03B(3)(ii) above, or a withdrawal of funds from the Series 1999 Bonds Reserve Account is made, payment of Revenues into the Depreciation Account as provided in this Section 4.03B(4)(ii) shall not be made, but instead Revenues shall be applied to the replenishment of the Series 1999 Bonds Reserve Account until such deficiency is cured, at which time payments

into the Depreciation Account as provided in this Section 4.03B(4)(ii) shall resume. Moneys in the Depreciation Account shall be used first to make up any deficiencies for monthly payments of interest on and principal of the Prior Bonds and the Series 1999 Bonds as the same become due, and next to restore to the Prior Bonds Reserve Account and the Series 1999 Bonds Reserve Account, any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments are current and in accordance with the foregoing provisions, moneys in the Depreciation Account may be withdrawn by the Issuer and used for replacements, repairs, improvements or extensions to the System.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys 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 moneys in the Series 1999 Bonds Reserve Account shall be sufficient to prepay the Series 1999 Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 1999 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 Series 1999 Bonds Reserve Account and the Depreciation Account as herein provided, and all amounts required for the Series 1999 Bonds Reserve Account and the Depreciation Account 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.

All the funds provided for in this Article IV other than the Project Construction Account 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 1999 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.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1999 Bonds and the Prior Bonds in accordance with the respective principal amounts then outstanding.

Subject to the Prior Ordinance, the Depository Bank, at the direction of the Issuer, shall keep the moneys in the Series 1999 Bonds Reserve Account and the Depreciation Account 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 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 Investment Management Board. Except as otherwise provided in the Prior Ordinance, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys 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 on moneys in the Series 1999 Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Depository Bank.

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 Bonds, provide evidence that there will be at least 256 bona fide users upon 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 Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The moneys 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 a lawful manner for securing deposits of State and municipal funds under the laws of the State.

G. REMITTANCES. All remittances made by the Issuer to 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 4.04. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the Grants and advances of principal of the Series 1999 Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed $395,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into the credit agreement with such commercial bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 1999 Bonds or the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1999 Bonds Reserve Account, a sum sufficient to prepay the entire principal of the Series 1999 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 Holders of the Series 1999 Bonds.

Section 5.02. Rates. 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 1999 Bonds and the Prior Bonds and sufficient to make the payments required to be made herein into the respective reserve accounts of the Series 1999 Bonds and the Prior Bonds and the Depreciation Account 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. The System will not be sold without the prior written consent of the Purchaser so long as the Series 1999 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. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

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 1999 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 1999 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 District 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 Clerk 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 shall be maintained as required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; however, if the Issuer 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 thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the Recorder, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(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 1999 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 Holders of the Series 1999 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 1999 Bonds, such statutory mortgage lien being on a parity with the statutory mortgage lien in favor of the holders of the Prior 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 on the Series 1999 Bonds at the date specified for payment thereof; or

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 1999 Bonds or herein, or violation of or failure to observe any provision of any pertinent law; or

(C) If default occurs with respect to the Prior Bonds or the Prior Ordinance. .

In the event of a default and prior to taking any action to foreclose any security interest or lien securing the Series 1999 Bonds, the Holder of the Series 1999 Bonds shall provide written notification to:

Community Program Loan Trust 1987 A
c/o GMAC Commercial Mortgage Corporation
650 Dresher Road
Post Office Box 1015
Horsham, Pennsylvania 19044

or any other address that GMAC Commercial Mortgage Corporation shall provide. Such written notification shall provide a description of the event of default and the actions intended to be taken as a result of such default.

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.

Section 5.09. Fiscal Year; Budget. While the Series 1999 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. 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 1999 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.

Section 5.14. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the 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 Division 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 Division 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 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

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 and facilities of the System shall be as set forth in the Rate Ordinance of the Issuer enacted on July 20, 1998.

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.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 1999 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 1999 Bonds, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Holders of the Series 1999 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. The Bond Legislation may not be materially modified or amended after final passage 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 1999 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 separable 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 1999 Bonds.

Section 7.05. Prior Ordinance; Conflicting Provisions Repealed. 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 Ordinance (so long as the Prior Bonds are outstanding).

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 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 and the Sanitary Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, 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 Times West Virginian, a qualified newspaper of general circulation in the Town of Farmington, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 1999 Bonds, 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 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.

Passed on First Reading:	April 19, 1999.
Passed on Second Reading:	May 3, 1999.
Passed on Final Reading: Following Public Hearing and Effective	May 17, 1999.

Harry C. Markley Jr.
Mayor

05/17/99
273910/97001

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF FARMINGTON on the 17th day of May, 1999, which Ordinance has not been repealed, rescinded, modified, amended or revoked.

Dated this 17th day of June, 1999.

[SEAL]

Recorder

ACORD™ CERTIFICATE OF PROPERTY INSURANCE

DATE 11/13/07

PRODUCER

David L. Seamon Insurance Agency
BRIM
715 East Pike St
Clarksburg WV 26301

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A: Westchester Fire Insurance Company

COMPANY B: The Hartford Steam Boiler Inspection and Insurance Co.

COMPANY C:

COMPANY D:

INSURED

Town of Farmington
PO Box 520
Farmington WV 26571

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	[X] PROPERTY CAUSES OF LOSS [ ] BASIC [ ] BROAD [X] SPECIAL Manuscript [ ] EARTHQUAKE [ ] FLOOD	P-0554	July 1, 2007	July 1, 2008	[ ] BUILDING [ ] PERSONAL PROPERTY [X] BUSINESS INCOME [X] EXTRA EXPENSE [ ] BLANKET BUILDING [ ] BLANKET PERS PROP [X] BLANKET BLDG & PP	$ $ $ 12 Months $ 12 Months $ $ $ * $ $
	[ ] INLAND MARINE TYPE OF POLICY CAUSES OF LOSS [ ] NAMED PERILS [ ] OTHER		July 1, 2007	July 1, 2008		$ $ $ $ $ $
A	[X] CRIME TYPE OF POLICY Employee Dishonesty	P-0554	July 1, 2007	July 1, 2008		$ 2,000,000.00 $ $
B	[X] BOILER & MACHINERY	P-0554	July 1, 2007	July 1, 2008		$ $ 1,000,000.00
	[ ] OTHER					

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY

SPECIAL CONDITIONS/OTHER COVERAGES
* Coverage is written on replacement cost subject to values reported to the Board of Risk and Insurance Managment.
* A $2500 per occurence deductible applies to each loss.

CERTIFICATE HOLDER

West Virginia Water Development Authority
180 Association Drive
Charleston WV 25311
(304) 558-3612 phone (304) 558-0299 Fax

AUTHORIZED AGENT David L Seamon

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE [illegible]

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ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/13/2007

PRODUCER
David L. Seamon Insurance Agency
BRIM
715 East Pike ST
Clarksburg WV 26301

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: National Union Fire Insurance Co. of Pittsburgh	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED
Town of Farmington
PO Box 520
Farmington WV 26571

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR X WRONGFUL ACTS X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	L-0554	July 1, 2007	July 1, 2008	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Fire Legal	$ 1,000,000 $ $ Not Applicable $ $ No Aggregate $ No Aggregate 100,000
A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	L-0554	July 1, 2007	July 1, 2008	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A		GARAGE LIABILITY X ANY AUTO	L-0554	July 1, 2007	July 1, 2008	AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ 1,000,000 $ 1,000,000 $ Not Applicable
		EXCESS/UMBRELLA LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
A		OTHER Automobile Physical Damage		July 1, 2007	July 1, 2008	ACV Less $1,000 deductible	
A		Slop Gap	L-0554	July 1, 2007	July 1, 2008	1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

A $2500 per occurence deductible applies to all liability coverage.

CERTIFICATE HOLDER

West Virginia Water Development Authority
180 Association Drive
Charleston WV 25311
(304) 558-3612 phone (304) 558-029 fax

AUTHORIZED AGENT David R Seamon

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

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United States Department of Agriculture
Rural Development
West Virginia State Office

November 14, 2007

Town of Farmington
Sewer Revenue Bonds, Series 2007 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (a) consents to the issuance of the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), in the original aggregate principal amount of $320,000 (the "Bonds"), by the Town of Farmington (the "Issuer"), under the terms of the bond ordinance authorizing the issuance of the Bonds (the "Ordinance"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1999 A (United States Department of Agriculture), dated June 17, 1999, issued in the original aggregate principal amount of $315,000, and Sewer Revenue Bonds, Series 1999 B (United States Department of Agriculture) dated June 17, 1999 issued in the aggregate principal amount of $80,000 (the "Prior Bonds"); and (b) waives any requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds or the Ordinance; and (c) consents to any amendments made to the Prior Ordinance by the Ordinance.

WITNESSETH my signature on this 14th day of November, 2007.

Cheryl L. Wolfe
Acting State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: http://www.rurdev.usda.gov/wv

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **November 14, 2007**

Re: **Town of Farmington Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund)**

---

1. DISBURSEMENTS TO THE TOWN OF FARMINGTON

Payor:	West Virginia Infrastructure Fund
Source:	Series 2007 A Bonds Proceeds
Amount:	$46,300
Form:	Wire Transfer
Payee:	Town of Farmington
Bank:	Branch Banking and Trust Company
Routing #:	051503394
Account #:	0005172520709
Contact:	Loretta Jenkins (304) 825-6565
Account:	Series 2007 A Bonds Construction Trust Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

Payor:	West Virginia Infrastructure and Jobs Development Council
Source:	Series 2007 A Bonds Proceeds
Amount:	$8,208
Form:	Wire Transfer
Payee:	Town of Farmington
Bank:	Municipal Bond Commission
Routing #:	051503394
Contact:	Sara Boardman, 558.3971
Account:	Series 2007 A Bonds Reserve Account

FARMINGTON SEWER PROJECT
Requisition #1

Payee	Ck	IJDC Loan	TOTAL
	#	**$320,000.00**	**$320,000.00**
Engineering: Thrasher	Engineer		
Planning		$5,000.00	$30,300.00
Design		$18,000.00	
Engineering during Construction		$3,000.00	
Inspection			
Special Services		$4,000.00	
Permit		$300.00	
Region VI PDC 7003-C Mountain Park Drive Fairmont, WV 26554	Administrator	$0.00	$0.00
Huntington Bank P.O. Box 633 - WE3013 Charleston, WV 25322-0633	Registrar	$500.00	$500.00
Steptoe & Johnson Chase Tower Charleston, WV 25322-0633	Bond Counsel	$11,000.00	$11,000.00
Bennett & Dobbins 317 Cleveland Avenue Fairmont, WV 25554-1604	Accountant	$4,500.00	$4,500.00
Municipal Bond Commission Charleston, WV	Reserves	$8,208.00	$8,208.00
TOTAL THIS REQUEST		**$54,508.00**	**$54,508.00**
PRIOR REQUEST		**$0.00**	**$0.00**
TOTAL REQUESTED TO DATE		**$54,508.00**	**$54,508.00**
REMAINING FUNDS		**$265,492.00**	**$265,492.00**

Submitted By: Lea Wolfe, Project Administrator **Date: October 29, 2007**

RESOLUTION

Whereas, the Town of Farmington has reviewed the attached invoices in relation to the sewer project and finds as follows:

1. That none of the items for which payment is proposed under this requisition has formed the basis for any disbursement heretofore made.
2. 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.
3. That each of such costs has been otherwise properly incurred; and
4. That payment for each of the items proposed is then due and owing.

Now, therefore, be it resolved by the Town of Farmington that the payment of the attached invoices as summarized, is hereby authorized and directed .

Adopted by the Town of Farmington on the 5th day of November, 2007.

Town of Farmington

Mayor

State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date 11/14/07 Time 9:30 a.m. LGA Town of Farmington Program IF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Ryan White	Jackson Kelly	340-1283	340-1272	srwhite@jacksonkelly.com
Barbara B Meadows	Water Development Authority	558.3612	558.0299	bmeadows@wvwda.org
Sammie L. Gee	Jackson Kelly PLLC	340.1318	340.1272	sgee@jacksonkelly.com
John Stump	Steptoe + Johnson PLLC	353.8196	353.8181	john.stump@steptoe-johnson.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Jon F. Sanders Telephone 304.825.6442 E-Mail N/A

Address P.O. Box 520 Farmington, West Virginia 26571

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.