

**TOWN OF FAIRVIEW**

**Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)**

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**TOWN OF FAIRVIEW**

**WATER REVENUE BONDS, SERIES 2012 A**  
**(WEST VIRGINIA INFRASTRUCTURE FUND)**

**BOND ORDINANCE**

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**TOWN OF FAIRVIEW**

**BOND ORDINANCE**

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF FAIRVIEW AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,100,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 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 FAIRVIEW:

**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 8, Article 19 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 Fairview (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State and is duly authorized to serve customers in Marion and Monongalia Counties.

B. The Issuer presently owns and operates a public waterworks 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 waterworks facilities of the Issuer, consisting of extensions to serve approximately 142 new

customers in the Fairview Road and Route 218 areas in Marion County and Monongalia County together with all necessary appurtenances (the "Project") (the existing public waterworks 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 Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of not more than \$1,100,000 in one or more series (the "Series 2012 A Bonds"), to permanently finance a portion of 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 2012 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 2012 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 2012 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 2012 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 2012 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 outstanding obligations which include the Issuer's Water Revenue Bonds, Series 2000 (United States Department of Agriculture), dated January 27, 2000, issued in the original aggregate principal amount of \$405,000 (the "Series 2000 Bonds" or the "Prior Bonds").

The Series 2012 A Bonds shall be issued on a parity with the Prior Bonds. Prior to the issuance of the Series 2012 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 2012 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 2012 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 2012 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 2012 A Bonds or such final order will not be subject to appeal.

J. 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 2012 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 2012 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 8, Article 19 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 2012 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.

"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 2012 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 2012 A Bonds for all or a portion of the proceeds of the Series 2012 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 Woolpert, Inc., Cincinnati, Ohio, 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.

"Grants" means any grants committed to the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross 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 Fairview, 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 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 2012 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 2012 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2012 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 the Series 2000 Bonds.

"Prior Ordinance" 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 Ordinance and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2012 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 Ordinance and continued hereby.

"Series 2000 Bonds" means the Issuer's Water Revenue Bonds, Series 2000 (United States Department of Agriculture), dated January 27, 2000, issued in the original aggregate principal amount of \$405,000.

"Series 2012 A Bonds" means the Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2012 A Bonds Construction Trust Fund" means the Series 2012 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2012 A Bonds Reserve Account" means the Series 2012 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 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 2012 A Bonds in the then current or any succeeding year.

"Series 2012 A Bonds Sinking Fund" means the Series 2012 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 2012 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 2012 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 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 Ordinance 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 waterworks 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 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 \$4,636,000, of which a portion will be paid from proceeds of the Series 2012 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 2012 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.

The cost of the project is estimated not to exceed \$4,636,000, of which an amount not to exceed \$1,100,000 will be obtained from the proceeds of the Series 2012 A Bonds, approximately \$1,500,000 will be obtained from a Small Cities Block Grant, approximately \$200,000 will be obtained from a BPH Design and Planning Grant, approximately \$1,100,000 will be obtained as a grant from the Council and approximately \$736,000 will be obtained as a grant from local sources.

### ARTICLE III

#### **AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS, AUTHORIZATION OF LOAN AGREEMENT**

Section 3.01.     Authorization of Bonds. For the purposes of capitalizing interest on the Series 2012 A Bonds, funding the reserve account for the Series 2012 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2012 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 2012 A Bonds of the Issuer. The Series 2012 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund)", in the principal amount of not more than \$1,100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 A Bonds remaining after funding of the Series 2012 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2012 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02.     Terms of Bonds. The Series 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 A Bonds are exercised, all Series 2012 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2012 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 2012 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 2012 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2012 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 2012 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 2012 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 Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2012 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2012 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the Prior Bonds. The Gross 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 2012 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2012 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 2012 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 2012 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 2012 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2012 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:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 A BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF FAIRVIEW  
WATER REVENUE BONDS, SERIES 2012 A  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on this the \_\_\_\_ day of \_\_\_\_\_, 2012, the Town of Fairview, 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, 20\_\_ to and including \_\_\_\_\_ 1, 20\_\_, 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 \_\_\_\_\_, 2012.

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 waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public waterworks 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 8, Article 19 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 \_\_\_\_\_, 2012, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2012 (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 WATER REVENUE BONDS, SERIES 2000 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$405,000 (THE "SERIES 2000 BONDS" OR THE "PRIOR BONDS")

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross 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 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross 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 Gross Revenues, the monies in the Series 2012 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 2012 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 Gross 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF FAIRVIEW 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 2012 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: \_\_\_\_\_, 2012.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By: \_\_\_\_\_  
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ \_\_\_\_\_

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: \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2012 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 2012 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 Ordinance) 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 Ordinance);
- (2) Reserve Account for Series 2000 Bonds (established by the Prior Ordinance);
- (3) Renewal and Replacement Fund (established by the Prior Ordinance as Depreciation Reserve and hereby renamed and continued);
- (4) Series 2012 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 2012 A Bonds Sinking Fund; and

- (2) Series 2012 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 Ordinance 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 Ordinance 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, on the first day of each month, transfer from the Revenue Fund to the National Finance Office the amount required by the Prior Ordinance to pay interest on the Series 2000 Bonds.

- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amount required by Prior Ordinance to pay principal on the Series 2000 Bonds; and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 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 2012 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 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.

- (3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank the amounts required by the Prior Ordinance to be deposited in the Reserve Account for the Series 2000 Bonds; and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, if not fully funded upon issuance of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 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 2012 A Bonds Reserve Requirement.

- (4) The Issuer shall next, each month, pay from the Revenue Fund all current Operating Expenses of the System.

(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 Ordinance 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 2012 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2012 A Bonds, as the same shall become due. Monies in the Series 2012 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2012 A Bonds, as the same shall come due, when other monies in the Series 2012 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2012 A Bonds Sinking Fund and the Series 2012 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 2012 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 2012 A Bonds.

Any withdrawals from the Series 2012 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 Gross 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 2012 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 2012 A Bonds Sinking Fund or the Series 2012 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2012 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 2012 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 2012 A Bonds Sinking Fund and the Series 2012 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. 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 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2012 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 2012 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 Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

## ARTICLE VI

### **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 2012 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2012 A Bonds, there shall first be deposited with the Commission in the Series 2012 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 2012 A Bonds for the period commencing on the date of issuance of the Series 2012 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 2012 A Bonds, there shall be deposited with the Commission in the Series 2012 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 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 2012 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 2012 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 2012 A Bonds from the Series 2012 A Bonds Construction Trust Fund shall be made only after submission too, and approval from, the Council of a certificate, signed by an Authorized Officer 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 2012 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

## ARTICLE VII

### **ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01.      General Covenants of the Issuer. All the covenants, agreements and provisions of this 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 2012 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 2012 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 2012 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02.      Bonds not to be Indebtedness of the Issuer. The Series 2012 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 2012 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 A Bonds or the interest thereon.

Section 7.03.      Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2012 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with each other and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross 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 and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted September 26, 2011 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2012 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 2012 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 Ordinance and with the written consent of the Authority and the Council.

So long as the Series 2012 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 2012 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 2012 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Series 2012 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 Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale

shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$50,000 but not in excess of \$200,000, the Issuer shall first, 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 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 Ordinance 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 2012 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2012 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 2012 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 2012 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2012 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 Ordinance 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 2012 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 Ordinance).

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

So long as the Series 2000 Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2000 Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2000 Bonds are no longer Outstanding, the following requirement shall be met:

So long as the Series 2012 A Bonds are Outstanding, 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 Ordinance and this Bond Legislation then Outstanding; and
- (3) The additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by

such Parity Bonds and any increase in rates enacted by the 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 Ordinance with respect to the Bonds then Outstanding, and any other payments provided for in this Ordinance and the Prior Ordinance, 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 Ordinance.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority 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 Issuer 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 Issuer 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 Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this 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 Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the Council, or any other original purchaser of the Series 2012 A Bonds and shall mail in each year to any Holder or Holders of the Series 2012 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 Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2012 A Bonds and shall submit the report to the Authority and the Council, or any other original purchaser of the Series 2012 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 Issuer 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 Issuer 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 Issuer 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 2012 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 2012 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 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 2012 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2012 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 2012 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 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 Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority 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, which finding shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. The Issuer 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 Issuer 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 Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority 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 Issuer 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 Issuer 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 Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

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

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

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

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2012 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the 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 from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of 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 Issuer 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 Issuer 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 Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; 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 Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer 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 Issuer 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 2012 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all

documents submitted to the Authority. The Issuer 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.

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

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to 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; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2012 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 2012 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 2012 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 2012 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 2012 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 2012 A Bonds as a condition to issuance of the Series 2012 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 2012 A Bonds as may be necessary in order to maintain the status of the Series 2012 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 2012 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 2012 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 2012 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 2012 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2012 A Bonds; or

(2) If default occurs in the Issuer or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2012 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2012 A Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, 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 Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

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

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 2012 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 Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this 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 2012 A Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2012 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 Gross 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 2012 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 2012 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 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 2012 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2012 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2012 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 2012 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 2012 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 2012 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 Ordinance. 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 Ordinance, the Prior Ordinance 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 Issuer were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Times West Virginian*, a qualified newspaper published and of general circulation in the Town of Fairview, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2012 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

Passed on First Reading:      March 5, 2012

Passed on Second Reading:      March 12, 2012

Passed on Final Reading  
Following Public  
Hearing:      April 9, 2012

  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the Town of Fairview on the 9th day of April, 2012.

Dated: May 24, 2012.

[SEAL]

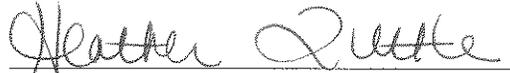
  
Recorder

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF FAIRVIEW; RATIFYING AND APPROVING A 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; APPROVING A BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Fairview (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective April 9, 2012 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF FAIRVIEW AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,100,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 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 the Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed \$1,100,000 (the "Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and 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 8, Article 19 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 amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the 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 Bonds be redesignated, that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

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 Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,100,000. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2052, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2014, to and including March 1, 2052, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

Section 2. All other provisions relating to the Bonds and the text of the 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 applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar"), for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the 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 Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate First Exchange Bank, Mannington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2012 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2012 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2012 A Bonds proceeds in the amount of \$28,760 shall be deposited in the Series 2012 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2012 A Bonds Construction Trust Fund as received from the Council from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about May 24, 2012, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 14th day of May, 2012.

  
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Fairview on the 14th day of May, 2012.

Dated: May 24, 2012.

[SEAL]

  
Recorder

05.24.12  
271720.00001

IC-1  
(08/11)

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 FAIRVIEW  
(2008W-1047)

(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 10<sup>th</sup> of each month to the Authority and Council.

2.13 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

### 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, including compliance with Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended, 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 5<sup>th</sup> day of such calendar

month. When required by the Authority, the Local Entity shall make monthly payments to the Commission by electronic transfer;

(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 making any changes to the final Schedule B and also 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 monies 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, 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 this Loan Agreement 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 FAIRVIEW

(SEAL)

Attest:

Heather Zittle  
Its: Recorder

By: [Signature]  
Its: Mayor  
Date: May 24, 2012

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Sheila A. Miller  
Its: Authorized Officer

By: [Signature]  
Its: Executive Director  
Date: May 24, 2012

{C2315704.1}

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<sup>1</sup> has ascertained that all

<sup>1</sup>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) all contractors to be awarded contracts for the construction of the Project have submitted affidavits indicating such contractor has a drug free workplace plan pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended; (vi) 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; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) 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; (x) as of the effective date thereof, <sup>2</sup>the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) 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 (xii) 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.

4. The Project will serve \_\_\_\_\_ new customers in the \_\_\_\_\_ area.

WITNESS my signature and seal on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

[SEAL]

\_\_\_\_\_  
By: \_\_\_\_\_  
West Virginia License No. \_\_\_\_\_

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

<sup>2</sup>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 \_\_\_\_\_

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

\_\_\_\_\_  
**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 10<sup>th</sup> 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	\$1,100,000
Purchase Price of Local Bonds	\$1,100,000

The Local Bonds shall bear no interest. Commencing March 1, 2014, 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 authorize the Commission to electronically debit its monthly payments. The Commission 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 interests 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: Town of Fairview Water Revenue Bonds, Series 2000 (United States Department of Agriculture), dated January 27, 2000, issued in the original aggregate principal amount of \$405,000.

Number of New Users: 140

Location: Fairview Road and Route 218 areas

## SCHEDULE Y DEBT SERVICE SCHEDULE

Bond Debt Service				
Town of Fairview				
\$1,100,000				
IF				
0% Interest Rate				
40 Years from Closing Date				
	Dated			
	Date	5/24/2012		
	Delivery			
	Date	5/24/2012		
Period	Principal	Interest	Debt	Service
Ending				
3/1/2014	7,190		7,190	
6/1/2014	7,190		7,190	
9/1/2014	7,190		7,190	
12/1/2014	7,190		7,190	
3/1/2015	7,190		7,190	
6/1/2015	7,190		7,190	
9/1/2015	7,190		7,190	
12/1/2015	7,190		7,190	
3/1/2016	7,190		7,190	
6/1/2016	7,190		7,190	
9/1/2016	7,190		7,190	
12/1/2016	7,190		7,190	
3/1/2017	7,190		7,190	
6/1/2017	7,190		7,190	
9/1/2017	7,190		7,190	
12/1/2017	7,190		7,190	
3/1/2018	7,190		7,190	
6/1/2018	7,190		7,190	
9/1/2018	7,190		7,190	
12/1/2018	7,190		7,190	
3/1/2019	7,190		7,190	
6/1/2019	7,190		7,190	
9/1/2019	7,190		7,190	
12/1/2019	7,190		7,190	
3/1/2020	7,190		7,190	
6/1/2020	7,190		7,190	
9/1/2020	7,190		7,190	
12/1/2020	7,190		7,190	
3/1/2021	7,190		7,190	
6/1/2021	7,190		7,190	
9/1/2021	7,190		7,190	
12/1/2021	7,190		7,190	
3/1/2022	7,190		7,190	
6/1/2022	7,190		7,190	
9/1/2022	7,190		7,190	
12/1/2022	7,190		7,190	
3/1/2023	7,190		7,190	
6/1/2023	7,190		7,190	
9/1/2023	7,190		7,190	
12/1/2023	7,190		7,190	
3/1/2024	7,190		7,190	
6/1/2024	7,190		7,190	
9/1/2024	7,190		7,190	

<b>Bond Debt Service</b>			
<b>Town of Fairview</b>			
<b>\$1,100,000</b>			
<b>IF</b>			
<b>0% Interest Rate</b>			
<b>40 Years from Closing Date</b>			
<b>Period Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>
12/1/2024	7,190		7,190
3/1/2025	7,190		7,190
6/1/2025	7,190		7,190
9/1/2025	7,190		7,190
12/1/2025	7,190		7,190
3/1/2026	7,190		7,190
6/1/2026	7,190		7,190
9/1/2026	7,190		7,190
12/1/2026	7,190		7,190
3/1/2027	7,190		7,190
6/1/2027	7,190		7,190
9/1/2027	7,190		7,190
12/1/2027	7,190		7,190
3/1/2028	7,190		7,190
6/1/2028	7,190		7,190
9/1/2028	7,190		7,190
12/1/2028	7,190		7,190
3/1/2029	7,190		7,190
6/1/2029	7,190		7,190
9/1/2029	7,190		7,190
12/1/2029	7,190		7,190
3/1/2030	7,190		7,190
6/1/2030	7,190		7,190
9/1/2030	7,190		7,190
12/1/2030	7,190		7,190
3/1/2031	7,190		7,190
6/1/2031	7,190		7,190
9/1/2031	7,190		7,190
12/1/2031	7,190		7,190
3/1/2032	7,190		7,190
6/1/2032	7,190		7,190
9/1/2032	7,190		7,190
12/1/2032	7,190		7,190
3/1/2033	7,190		7,190
6/1/2033	7,190		7,190
9/1/2033	7,190		7,190
12/1/2033	7,190		7,190
3/1/2034	7,190		7,190
6/1/2034	7,190		7,190
9/1/2034	7,189		7,189
12/1/2034	7,189		7,189
3/1/2035	7,189		7,189
6/1/2035	7,189		7,189
9/1/2035	7,189		7,189
12/1/2035	7,189		7,189
3/1/2036	7,189		7,189
6/1/2036	7,189		7,189

Bond Debt Service			
Town of Fairview			
\$1,100,000			
IF			
0% Interest Rate			
40 Years from Closing Date			
Period Ending	Principal	Interest	Debt Service
9/1/2036	7,189		7,189
12/1/2036	7,189		7,189
3/1/2037	7,189		7,189
6/1/2037	7,189		7,189
9/1/2037	7,189		7,189
12/1/2037	7,189		7,189
3/1/2038	7,189		7,189
6/1/2038	7,189		7,189
9/1/2038	7,189		7,189
12/1/2038	7,189		7,189
3/1/2039	7,189		7,189
6/1/2039	7,189		7,189
9/1/2039	7,189		7,189
12/1/2039	7,189		7,189
3/1/2040	7,189		7,189
6/1/2040	7,189		7,189
9/1/2040	7,189		7,189
12/1/2040	7,189		7,189
3/1/2041	7,189		7,189
6/1/2041	7,189		7,189
9/1/2041	7,189		7,189
12/1/2041	7,189		7,189
3/1/2042	7,189		7,189
6/1/2042	7,189		7,189
9/1/2042	7,189		7,189
12/1/2042	7,189		7,189
3/1/2043	7,189		7,189
6/1/2043	7,189		7,189
9/1/2043	7,189		7,189
12/1/2043	7,189		7,189
3/1/2044	7,189		7,189
6/1/2044	7,189		7,189
9/1/2044	7,189		7,189
12/1/2044	7,189		7,189
3/1/2045	7,189		7,189
6/1/2045	7,189		7,189
9/1/2045	7,189		7,189
12/1/2045	7,189		7,189
3/1/2046	7,189		7,189
6/1/2046	7,189		7,189
9/1/2046	7,189		7,189
12/1/2046	7,189		7,189
3/1/2047	7,189		7,189
6/1/2047	7,189		7,189
9/1/2047	7,189		7,189
12/1/2047	7,189		7,189
3/1/2048	7,189		7,189



SCHEDULE Z

(None)

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: September 27, 2011

FINAL

10/17/2011

CASE NO. 11-0464-W-CN

TOWN OF FAIRVIEW.

Application for a certificate of convenience and necessity to construct additions and improvements to the Town's water system and to expand its existing water system to include the addition of approximately 142 new customers in the areas of Fairview Road and Route 218 in the Counties of Marion and Monongalia.

**RECOMMENDED DECISION**

On April 4, 2011, the Town of Fairview (Fairview or Town), a municipally operated public water utility, filed an application with the Public Service Commission of West Virginia under *West Virginia Code (Code)* §24-2-11 for a certificate of public convenience and necessity to construct additions and improvements to the Town's existing water system and to expand its existing water system to include the addition of approximately 142 new customers in the areas of Fairview Road and Route 218 in the Counties of Marion and Monongalia. The West Virginia Infrastructure and Jobs Development Council (IJDC) has approved the project. Fairview has estimated that the project will cost approximately \$4,636,000, to be financed through a \$1,500,000 West Virginia Small Cities Block Grant (Block Grant); a \$1,100,000 IJDC grant; a \$1,100,000 IJDC loan; local funding comprised of grants totaling \$736,000 from the Marion and Monongalia County Commissions; and a \$200,000 grant through the American Recovery and Reinvestment Act (ARRA). The District represented that the project would increase rates and that Fairview plans to or already has enacted a rate ordinance to support the project.

By Commission Order entered on April 12, 2011, the Commission directed that Fairview publish the Notice of Filing attached to the April 12, 2011 Order once in newspapers duly qualified under *Code* §59-3-1 *et seq.*, published and generally circulated in each of the Counties of Marion and Monongalia, providing a 30-day protest period. The Notice of Filing also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. As of April 20, 2011, the District had not submitted a publication affidavit indicating compliance with the notice requirement.

By the Referral Order entered on April 12, 2011, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before August 25, 2011, if no substantial protest was filed, or by September 26, 2011, if the matter was substantially protested.

By Procedural Order issued on April 20, 2011, as corrected on April 21, 2011, the Administrative Law Judge directed that the Town file publication affidavits as soon as they become available to show when the Notice of Filing was published, so that the ALJ could determine whether the decision is due on August 25, 2011, or on September 26, 2011.

On April 21, 2011, Fairview filed a publication affidavit showing that the Notice of Filing was published on April 9, 2011, in the *Times West Virginian*, a newspaper published and generally circulated in Marion County. On April 27, 2011, Fairview filed a publication affidavit showing that the Notice of Filing was published on April 9, 2011, in *The Dominion Post*, a newspaper published and generally circulated in Monongalia County.

The application is unopposed.

On May 9, 2011, Staff Attorney Ronald E. Robertson, Jr., filed the Initial Joint Staff Memorandum, attaching the May 2, 2011 Utilities and Engineering Division's Initial Memorandum prepared by Utilities Analyst Brian Dworsky, Utilities Division, and Technical Analyst Associate Mansour Mashayekhi, Engineering Division, indicating that, once it had completed its investigation and review, Commission Staff would submit a final substantive recommendation.

On June 23, 2011, Fairview moved the Commission to toll the statutory effective date and the decision due date for the Administrative Law Judge (ALJ). The Town emphasized that, while it has responded to Staff's initial discovery requests, the information it has provided is not sufficient for Staff to recommend that the Commission grant the certificate application. In particular, all of the funding commitments have not been obtained.

On June 24, 2011, Staff Attorney Robertson filed the Further Joint Staff Memorandum supporting the Town's motion to toll.

By Commission Order entered on June 30, 2011, the Commission denied the motion to toll the statutory effective date.

On July 8, 2011, Fairview moved the Commission to reconsider the motion to toll.

By Commission Order entered on July 12, 2011, the Commission tolled the statutory effective date by 90 days from September 30, 2011, until 12:01 a.m., December 29, 2011, and extended the decision due date until November 15, 2011. The July 12, 2011 Order stated, "The ALJ may determine the proper Staff report due date as required."

By Order Regarding Due Dates issued July 20, 2011, the ALJ directed that, since the Commission had extended the decision due date until November 15, 2011, Commission Staff file its final substantive recommendation no later than Thursday, September 15, 2011, and, if a hearing was required, the ALJ would convene it on Monday, September 26, 2011, at Fairmont, and would require an expedited transcript and an expedited briefing period.

On September 15, 2011, Staff Attorney Robertson filed the Final Joint Staff Memorandum, attaching the September 14, 2011 Utilities and Engineering Divisions Final Recommendation prepared by Mr. Dworsky and Mr. Mashayekhi. Together, these Memoranda comprise Commission Staff's final substantive recommendation in this matter. Staff reported that the project includes additions and improvements to the Town's existing water system, including the addition of approximately 142 new customers in the areas of Fairview Road and Route 218 in the Counties of Marion and Monongalia. The IJDC has approved the project. Fairview has estimated that the project will cost approximately \$4,640,000, to be financed through a \$1,500,000 Block Grant; a \$1,100,000 IJDC grant; a \$1,100,000 IJDC loan bearing 0% interest for 40 years; local funding comprised of a \$440,000 grant from the Marion County Commission, a \$200,000 grant from the Monongalia County Commission and a \$100,000 grant from Consol Energy; and a \$200,000 ARRA grant. The Town has obtained funding commitments from all sources. The project will increase the Town's revenue requirement by approximately \$75,685, or 3.7%. The Town enacted a rate ordinance on February 28, 2011, to become effective upon substantial completion of the project, which will support the project. The average monthly bill based on those rates for customers using 4,000 gallons will be \$40 per month. The post-project rates will provide a debt service coverage ratio of 121.39% and a \$11,836 cash flow surplus, including \$5,699 from the renewal and replacement reserve, to cover reasonable average plant additions.

In addition to the construction of a mainline to extend service to approximately 141 new residential customers and one additional commercial customer, the project includes a new groundwater well system, a booster pump station and a new 100,000-gallon water storage tank. Currently, Fairview serves approximately 380 customers. The water sources for those living in the proposed area to be served is of very poor quality and insufficient quantity to meet their needs. Staff opined that the engineering costs of approximately 8.6% of the total project cost is reasonable. The project will increase operation and maintenance (O&M) expenses by approximately \$32,860, from approximately \$122,970 to \$155,830, or approximately 27%. Staff opined that the project is the best of three possible alternatives considered by the Town's project engineer. The Town has obtained permits from the West Virginia Office of Environmental Health Services, the West Virginia Division of Culture and History, the Norfolk Southern Railway Company, Region VI Planning and Development Council and the West Virginia State Historic Preservation Office. The project will not infringe on the service area of any other public utility. Staff recommended that the Commission grant the certificate application, including the financing. Should the plans or scope of the project change or should rates change because of the project, the Town needs additional Commission approval. Changes in project cost and financing do not require additional Commission approval if a certified public accountant certifies by affidavit that such changes do not affect rates. The Town must promptly file a copy of the engineer's certified tabulation of bids for all contracts associated with the

project and file a certificate of substantial completion as soon as the project engineer certifies that the project is substantially complete.

Also on September 15, 2011, the Executive Secretary served the Town with a copy of Commission Staff's final substantive recommendation, giving it notice that, unless it filed a written objection to Staff's final recommendation within 10 days, the Commission may enter a final order in this matter without further notice or hearing.

The Town did not respond to Commission Staff's final substantive recommendation.

By Order Canceling Tentative Hearing Date issued on September 22, 2011, the ALJ canceled the hearing tentative scheduled to convene on Monday, September 26, 2011.

### DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, as evidenced by the lack of response to Staff's final recommendation, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing. Since entering this Recommended Decision obviates the necessity for the procedural schedule established by the July 20, 2011 Order, including the Monday, September 26, 2011 hearing date, the ALJ has canceled the procedural schedule by a separate Order issued on September 22, 2011.

The ALJ holds that, since the project includes additions and improvements to the Town's existing water system, including the addition of approximately 142 new customers in the areas of Fairview Road and Route 218 in the Counties of Marion and Monongalia; since the water sources in the proposed new service area are of very poor quality and insufficient quantity to meet the needs of those potential customers; since the IJDC has approved the project; since Fairview has enacted a rate ordinance that will support the project; since Fairview has given sufficient notice of the project and no one objected, he will grant the certificate application and approve the financing, totaling approximately \$4,640,000, comprised of a \$1,500,000 Block Grant, a \$1,100,000 IJDC grant, a \$1,100,000 IJDC loan bearing 0% interest for 40 years, a \$440,000 grant from the Marion County Commission, a \$200,000 grant from the Monongalia County Commission, a \$100,000 grant from Consol Energy and a \$200,000 ARRA grant. Should the plans or scope of the project change or should rates change because of the project, the Town must obtain additional Commission approval. Changes in project cost and financing do not require additional Commission approval if a certified public accountant certifies by affidavit that such changes do not affect rates. The Town must promptly file a copy of the engineer's certified tabulation of bids for all contracts associated with the project and file a certificate of substantial completion as soon as the project engineer certifies that the project is substantially complete.

## FINDINGS OF FACT

1. The Town of Fairview filed an application with the Commission under *Code* §24-2-11 for a certificate of public convenience and necessity to construct additions and improvements to the Town's existing water system and to expand its existing water system to include the addition of approximately 142 new customers in the areas of Fairview Road and Route 218 in the Counties of Marion and Monongalia. (See, application filed on April 4, 2011).
2. Fairview caused the Notice of Filing to be published on April 9, 2011, in the *Times West Virginian*, a newspaper published and generally circulated in Marion County, and on April 9, 2011, in *The Dominion Post*, a newspaper published and generally circulated in Monongalia County. (See, publication affidavits filed on April 21 and 27, 2011).
3. The application is unopposed. (See, Commission's file).
4. The project includes additions and improvements to the Town's existing water system, including the addition of approximately 141 new residential customers and one commercial customer in the areas of Fairview Road and Route 218 in the Counties of Marion and Monongalia. (See, Final Joint Staff Memorandum, with attachments).
5. The IJDC has approved the project. (See, Final Joint Staff Memorandum, with attachments).
6. The project will cost approximately \$4,640,000, to be financed through a \$1,500,000 Block Grant; a \$1,100,000 IJDC grant; a \$1,100,000 IJDC loan bearing 0% interest for 40 years; local funding comprised of a \$440,000 grant from the Marion County Commission, a \$200,000 grant from the Monongalia County Commission and a \$100,000 grant from Consol Energy; and a \$200,000 ARRA grant. The Town has obtained funding commitments from all funding sources. (See, Final Joint Staff Memorandum, with attachments).
7. The project will increase the Town's revenue requirement by approximately \$75,685, or 3.7%. The Town enacted a rate ordinance on February 28, 2011, to become effective upon substantial completion of the project, which will support the project. The average monthly bill based on those rates for customers using 4,000 gallons will be \$40 per month. The post-project rates will provide a debt service coverage ratio of 121.39% and a \$11,836 cash flow surplus, including \$5,699 from the renewal and replacement reserve, to cover reasonable average plant additions. (See, Final Joint Staff Memorandum, with attachments).
8. In addition to the construction of a mainline to extend service to the new customers, the project includes a new groundwater well system, a booster pump station and a new 100,000-gallon water storage tank. Currently, Fairview serves approximately 380 customers. The water sources for those living in the proposed area to be served is of very poor quality and insufficient quantity to meet their needs. (See, Final Joint Staff Memorandum, with attachments).

9. Staff opined that the engineering costs of approximately 8.6% of the total project cost is reasonable. (See, Final Joint Staff Memorandum, with attachments).

10. The project will increase O&M expenses by approximately \$32,860, from approximately \$122,970 to \$155,830, or approximately 27%. (See, Final Joint Staff Memorandum, with attachments).

11. Staff opined that the project is the best of three possible alternatives considered by the Town's project engineer. (See, Final Joint Staff Memorandum, with attachments).

12. The Town has obtained permits from the West Virginia Office of Environmental Health Services, the West Virginia Division of Culture and History, the Norfolk Southern Railway Company, Region VI Planning and Development Council and the West Virginia State Historic Preservation Office. (See, Final Joint Staff Memorandum, with attachments).

13. The project will not infringe on the service area of any other public utility. (See, Final Joint Staff Memorandum, with attachments).

14. Staff recommended that the Commission grant the certificate application, including the financing, and, should the plans or scope of the project change or should rates change because of the project, the Town needs additional Commission approval. Changes in project cost and financing do not require additional Commission approval if a certified public accountant certifies by affidavit that such changes do not affect rates. The Town must promptly file a copy of the engineer's certified tabulation of bids for all contracts associated with the project and file a certificate of substantial completion as soon as the project engineer certifies that the project is substantially complete. (See, Final Joint Staff Memorandum, with attachments).

15. The Executive Secretary served the Town with a copy of Commission Staff's final substantive recommendation, giving it notice that, unless it filed a written objection to Staff's final recommendation within 10 days, the Commission may enter a final order in this matter without further notice or hearing. (See, letter from Executive Secretary filed on September 15, 2011).

16. The Town did not respond to Commission Staff's final substantive recommendation. (See, Commission's file).

### CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.
2. The proposed financing for the project should be approved.
3. The Town's rates that will become effective upon substantial completion of the project are sufficient to support the proposed project.

4. Should the scope, plans or financing for the project change, the Town must obtain prior Commission approval before commencing construction. Changes in project costs or funding do not require separate approval if those changes do not affect rates and the Town submits an affidavit from a certified public accountant to this effect.

### ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on April 4, 2011, by the Town of Fairview pursuant to *Code* §24-2-11 to construct additions and improvements to the Town's existing water system and to expand its existing water system to include the addition of approximately 142 new customers in the areas of Fairview Road and Route 218 in the Counties of Marion and Monongalia, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, which totals approximately \$4,640,000 and is comprised of a \$1,500,000 West Virginia Small Cities Block Grant; a \$1,100,000 grant from the West Virginia Infrastructure and Jobs Development County; a \$1,100,000 loan from the West Virginia Infrastructure and Jobs Development Council bearing 0% interest for 40 years; a \$440,000 grant from the Marion County Commission; a \$200,000 grant from the Monongalia County Commission; a \$100,000 grant from Consol Energy; and a \$200,000 grant through the American Recovery and Reinvestment Act, be, and hereby is, approved.

IT IS FURTHER ORDERED that, should the scope or plans for the project change, the Town of Fairview obtain prior Commission approval before commencing construction. Changes in project cost and financing do not require separate approval if those changes do not affect rates and the Town submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the Town of Fairview submit a copy of the certified tabulation of 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 Fairview notify the Commission when the project engineer has performed the substantial completion inspection and submit the certificate of substantial completion to the Commission as soon as it becomes available.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Town of Fairview 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.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; by electronic service upon all parties of record who have filed an e-

service agreement with the Commission; and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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.



**Ronnie Z. McCann**  
Deputy Chief Administrative Law Judge

RZM:s  
110464ad.wpd

THARP, LIOTTA & YOKUM, LLP

ATTORNEYS AT LAW  
WESBANCO BANK BUILDING

FAIRMONT, WEST VIRGINIA 26555-1509

P. O. BOX 1509

J. SCOTT THARP  
KAREN M. YOKUM  
JARROD G. DEVAULT  
JAMES A. LIOTTA (1946-2005)

TELEPHONE (304) 363-1123  
FAX NO. (304) 366-1386  
E-MAIL ADDRESS:  
TLJY@access.mountain.net

April 25, 2011

Sandra Squire, Director  
Executive Secretary Division  
Public Service Commission of West Virginia  
P.O. Box 812  
Charleston, WV 26523

RECEIVED  
11 APR 27 AM 8:33  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

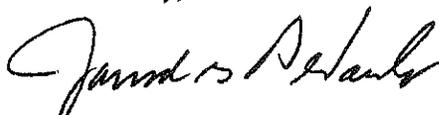
RE: Application for a Certificate of Convenience  
and Necessity  
Case No. 11-0464-W-CN  
Town of Fairview

Dear Ms. Squire:

Enclosed please find thirteen (13) copies of the Affidavit of Publication of Eric Wilson, Advertising Director of the Dominion Post, proving publication of the Notice of Filing relative to this case in said newspaper. Please see that the enclosures are filed in the above referenced case and distributed accordingly.

Thank you for your attention to this matter. Please contact me if you have any questions.

Sincerely,



Jarrod G. DeVault

JGD:lek  
Enclosure

cc: Kathy Ice, Fairview Water Extension Committee  
Town of Fairview  
Charles Moore, Woolpert, Inc.  
Jim Hall, Region VI Planning and Development Council  
File

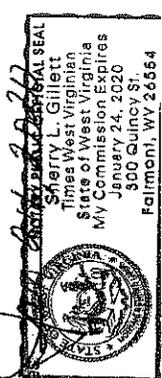
**AFFIDAVIT OF PUBLICATION**

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 head 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 day successive day (Class I), commencing with the issue of the 9 day of April, 2011, and ending with the issue of the 9 day of April, 2011, and was posted at the front door of the Marion County Courthouse on the 9 day of April, 2011; that said annexed notice was published on the following dates: \_\_\_\_\_ and the cost of publishing said annexed notice as aforesaid was \$ 294.89 Taken, subscribed and sworn to before me in said county this 14 day of April, 2011



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

W VA PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

11 APR 21 AM 8:17

RECEIVED

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 4th day of April, 2011.

CASE NO. 11-0464-W-ON

**TOWN OF FAIRVIEW**  
 Application for a certificate of convenience and necessity to construct certain additions and improvements to the Town's water system and to expand its existing water system to include the addition of approximately 142 new customers in the areas of Fairview Road and Route 216, in the Counties of Marion and Monongalia.

**NOTICE OF FILING**

On April 4, 2011, the Town of Fairview filed a verified application for a certificate of convenience and necessity to construct certain additions and improvements to the Town's water system and to expand its existing water system to include the addition of approximately 142 new customers in the areas of Fairview Road and Route 216, in the Counties of Marion and Monongalia.

The application is on file with and available for public inspection at the Public Service Commission, 207 Brooks Street, in Charleston, West Virginia.

The Town estimates that the construction will cost approximately \$4,696,000.00. The proposed that the construction will be financed as follows: West Virginia Small Cities Block Grant in the amount of \$1,500,000.00; grant from the West Virginia Infrastructure and Job Development Council \$1,100,000.00; loan from West Virginia Infrastructure and Job Development Council \$1,100,000.00; local funding (Marion and Monongalia County Commission grants) \$796,000.00 (estimated based on number of customers) and AFRA \$200,000.00.

The Town anticipates charging the following increased rates upon substantial completion of the project. The increased rates are in the process of being enacted by the Town Council following municipal ordinance procedures and are currently under review by the Public Service Commission.

METER SIZE	MINIMUM PER MONTH
2/8 inch meter	\$20.00 per month
3/4 inch meter	\$30.00 per month
1 inch meter	\$50.00 per month
1 1/2 inch meter	\$100.00 per month
2 inch meter	\$180.00 per month
3 inch meter	\$300.00 per month
4 inch meter	\$500.00 per month
6 inch meter	\$1,000.00 per month

**RATES: (Customers with metered water supply)**  
 Over 2,000 gallons up to 5,000 gallons used per month \$10.00 per 1,000 gallons.  
 All over 5,000 gallons used per month \$4.82 per 1,000 gallons.

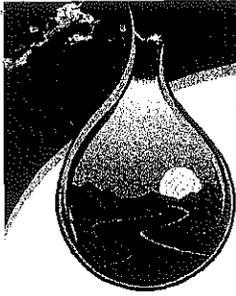
**UNMETERED CHARGE**  
 Unmetered water is no applicable to this utility.

**DELAYED PAYMENT PENALTY**  
 The above schedule is met. On all accounts not paid in full when due, ten percent (10%) will be added to the current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

**TAP FEE**  
 The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to all customers who apply for service outside of certificates proceeding between the Commission for each new tap for service.

RECONNECTION CHARGE



# WEST VIRGINIA

Infrastructure & Jobs Development Council

01:02 PM SEP 14 2011 PSC LEGAL DJ

Gov. Earl Ray Tomblin  
Chairman

Kenneth Lowe, Jr.  
Public Member

David "Bones" McComas  
Public Member

Ron Justice  
Public Member

Louis R. Spatafore  
Public Member

Joseph Freeland  
Public Member

D. K. "Bud" Carr  
Public Member

James W. Ellars, P.E.  
Executive Director

Barbara J. Pauley  
Administrative Secretary

September 8, 2011

The Honorable Arley Simmons  
Mayor, Town of Fairview  
P.O. Box 119  
Fairview, WV 26570

Re: Town of Fairview (Fairview Road/SR 218)  
Water Project 2008W-1047  
Binding Commitment  
(Action Required by September 30, 2011)

RECEIVED  
11 SEP 14 PM 1:31  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

Dear Mayor Simmons:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) provides this binding offer of an Infrastructure Fund loan of approximately \$1,100,00 (0%, 40 yrs) (Loan) and an Infrastructure Fund grant of approximately \$1,100,000 (Grant) to the Town of Fairview (Town) for the above referenced water project (Project). The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts 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 and Grant upon the Town's compliance with the program requirements.

If the Town has any questions regarding this commitment, please contact Jim Ellars at 304-414-6501 (X106).

Sincerely,  
  
Kenneth Lowe, Jr.

Attachment

- cc: Bob Decrease, P.E., BPH (via e-mail)
- Samme Gee, Esq., Jackson (via e-mail)
- Charles J. Moore, P.E., Woolpert, Inc. (via e-mail)
- Jim Hall, Region VI Planning & Development Council (via e-mail)

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

TOWN OF FAIRVIEW

By:   
Its:   
Date:

**WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL**

Town of Fairview  
Water Project 2008W0-1047

**SCHEDULE A**

A. Approximate Amount:   \$1,100,000   Loan  
  1,100,000   Grant  
  \$2,200,000   Total

B. Loan:           \$1,100,000

1. Maturity Date:                   40 years from date of closing.
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.

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

C. Grant:           \$1,100,000

5. Grant Advancement Date(s):   Monthly, upon receipt of proper requisition and after advancement of all Loan funding.
6. Special Conditions:           None

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

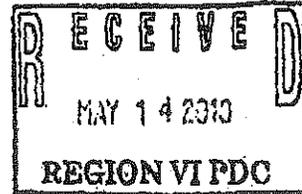
D. Other Funding:           SCBG                               \$1,500,000  
  Counties' contribution           740,000  
  BPH design grant                 200,000

E. Total Project Cost:                                 \$4,640,000

F. Proposed User Rates:    Approximately \$38.56 / 4000 gallons

# WEST VIRGINIA

Infrastructure & Jobs Development Council



Gov. Joe Manchin, III  
Chairman

Kenneth Lowe, Jr.  
Public Member

Dwight Calhoun  
Public Member

David "Bones" McCamus  
Public Member

Ron Justice  
Public Member

Angela K. Chestnut, P.E.  
Executive Director

Barbara J. Pauley  
Administrative Secretary

May 10, 2009

The Honorable Douglas White  
Mayor, Town of Fairview  
P.O. Box 119  
Fairview, WV 26570

Re: Town of Fairview (Fairview Road/SR 218)  
Water Project 2008W-1047 (Revised)

Dear Mayor White:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) has reviewed the Town of Fairview's (Town) revised preliminary application to construct new waterline extensions to Fairview Road and S.R. 218 areas to serve 141 new customers and 1 commercial user (Project).

Based on the findings of the Water Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Town should carefully review the enclosed comments of the Water Technical Review Committee as the Town may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the Town utilize a \$200,000 Small Cities Block grant, pursue a additional \$1,300,000 Small Cities Block grant, a \$734,000 local contribution, a \$200,000 Bureau of Public Health design and planning grant to fund this \$4,634,000 Project. Please contact the West Virginia Development office at 304-558-2234 and the West Virginia Bureau for Public Health at 304-558-5749 for specific information on the steps the Town needs to follow to apply for these funds. Please note that this letter does not constitute funding approval from these agencies.

The Infrastructure Council also determined that the Town may be eligible for a \$1,100,000 Infrastructure Fund loan (0%<sup>0</sup>, 40 years) and a \$1,100,000 Infrastructure Fund grant pending final determination of the project's eligibility and readiness to proceed. This letter is not a commitment of Infrastructure Funds. The Project will be placed on the Infrastructure Council's pending list of projects.

If you have any questions regarding this matter, please contact Angela K. Chestnut at 304-558-4607 (X201).

Sincerely,

Kenneth Lowe, Jr.

Enclosure

cc: Bob Decease, P.E., BPH (w/o enclosure) (via e-mail)  
Jeanna Bailes, WVDO (w/o enclosure) (via e-mail)  
Charles J. Moore, P.E., Woolpert, Inc.  
Loa Wolfe, Region VI Planning & Development Council

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 24th day of May, 2012, 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 Fairview (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the entire original issue of \$1,100,000 principal amount of the Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated May 24, 2012.

2. At the time of such receipt of the Bonds upon original issuance, the 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 Bonds, of the sum of \$68,989.54, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By: Sheila A. Miller  
Its: Authorized Representative

TOWN OF FAIRVIEW

By: Asley J. Summers  
Its: Mayor

05.03.12  
271720.00001

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 24th day of May, 2012, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Town of Fairview Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), in the principal amount of \$1,100,000, dated May 24, 2012 (the "Bonds"), executed by the Mayor and the Recorder of the Town of Fairview (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 April 9, 2012, and a Supplemental Resolution duly adopted by the Issuer on May 14, 2012 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated May 24, 2012 (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; and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$68,989.54, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the date first written above.

TOWN OF FAIRVIEW

By:   
Its: Mayor

05.03.12  
271720.00001

# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF FAIRVIEW  
WATER REVENUE BONDS, SERIES 2012 A  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$1,100,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 24th day of May, 2012, the Town of Fairview, 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 ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000), 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 March 1, 2014 to and including March 1, 2052, 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 May 24, 2012.

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 waterworks system of the Issuer (the "Project"); (ii) fund the Series 2012 A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The existing public waterworks 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 8, Article 19 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 April 9, 2012, and a Supplemental Resolution duly adopted by the Issuer on May 14, 2012 (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 WATER REVENUE BONDS, SERIES 2000 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$405,000 (THE "SERIES 2000 BONDS" OR THE "PRIOR BONDS")

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross 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 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross 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 Gross Revenues, the monies in the Series 2012 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 2012 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 Gross 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.

---

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF FAIRVIEW 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]

*Ashley J. Smith*  
\_\_\_\_\_  
Mayor

SPECIMEN

ATTEST:

*Heather Sprittle*  
\_\_\_\_\_  
Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 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: May 24, 2012.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By:   
Its: Authorized Officer

SECRET

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$68,989.54	05/24/2012	(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

**Bond Debt Service**  
 Town of Fairview  
 \$1,100,000  
 IF  
 0% Interest Rate  
 40 Years from Closing Date

Dated Date 5/24/2012  
 Delivery  
 Date 5/24/2012

Period Ending	Principal	Interest	Debt Service
3/1/2014	7,190		7,190
6/1/2014	7,190		7,190
9/1/2014	7,190		7,190
12/1/2014	7,190		7,190
3/1/2015	7,190		7,190
6/1/2015	7,190		7,190
9/1/2015	7,190		7,190
12/1/2015	7,190		7,190
3/1/2016	7,190		7,190
6/1/2016	7,190		7,190
9/1/2016	7,190		7,190
12/1/2016	7,190		7,190
3/1/2017	7,190		7,190
6/1/2017	7,190		7,190
9/1/2017	7,190		7,190
12/1/2017	7,190		7,190
3/1/2018	7,190		7,190
6/1/2018	7,190		7,190
9/1/2018	7,190		7,190
12/1/2018	7,190		7,190
3/1/2019	7,190		7,190
6/1/2019	7,190		7,190
9/1/2019	7,190		7,190
12/1/2019	7,190		7,190
3/1/2020	7,190		7,190
6/1/2020	7,190		7,190
9/1/2020	7,190		7,190
12/1/2020	7,190		7,190
3/1/2021	7,190		7,190
6/1/2021	7,190		7,190
9/1/2021	7,190		7,190
12/1/2021	7,190		7,190
3/1/2022	7,190		7,190
6/1/2022	7,190		7,190
9/1/2022	7,190		7,190
12/1/2022	7,190		7,190
3/1/2023	7,190		7,190
6/1/2023	7,190		7,190
9/1/2023	7,190		7,190
12/1/2023	7,190		7,190
3/1/2024	7,190		7,190
6/1/2024	7,190		7,190
9/1/2024	7,190		7,190

**Bond Debt Service**  
 Town of Fairview  
 \$1,100,000  
 IF  
 0% Interest Rate  
 40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2024	7,190		7,190
3/1/2025	7,190		7,190
6/1/2025	7,190		7,190
9/1/2025	7,190		7,190
12/1/2025	7,190		7,190
3/1/2026	7,190		7,190
6/1/2026	7,190		7,190
9/1/2026	7,190		7,190
12/1/2026	7,190		7,190
3/1/2027	7,190		7,190
6/1/2027	7,190		7,190
9/1/2027	7,190		7,190
12/1/2027	7,190		7,190
3/1/2028	7,190		7,190
6/1/2028	7,190		7,190
9/1/2028	7,190		7,190
12/1/2028	7,190		7,190
3/1/2029	7,190		7,190
6/1/2029	7,190		7,190
9/1/2029	7,190		7,190
12/1/2029	7,190		7,190
3/1/2030	7,190		7,190
6/1/2030	7,190		7,190
9/1/2030	7,190		7,190
12/1/2030	7,190		7,190
3/1/2031	7,190		7,190
6/1/2031	7,190		7,190
9/1/2031	7,190		7,190
12/1/2031	7,190		7,190
3/1/2032	7,190		7,190
6/1/2032	7,190		7,190
9/1/2032	7,190		7,190
12/1/2032	7,190		7,190
3/1/2033	7,190		7,190
6/1/2033	7,190		7,190
9/1/2033	7,190		7,190
12/1/2033	7,190		7,190
3/1/2034	7,190		7,190
6/1/2034	7,190		7,190
9/1/2034	7,189		7,189
12/1/2034	7,189		7,189
3/1/2035	7,189		7,189
6/1/2035	7,189		7,189
9/1/2035	7,189		7,189
12/1/2035	7,189		7,189
3/1/2036	7,189		7,189
6/1/2036	7,189		7,189

**Bond Debt Service**  
 Town of Fairview  
 \$1,100,000  
 IF  
 0% Interest Rate  
 40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
9/1/2036	7,189		7,189
12/1/2036	7,189		7,189
3/1/2037	7,189		7,189
6/1/2037	7,189		7,189
9/1/2037	7,189		7,189
12/1/2037	7,189		7,189
3/1/2038	7,189		7,189
6/1/2038	7,189		7,189
9/1/2038	7,189		7,189
12/1/2038	7,189		7,189
3/1/2039	7,189		7,189
6/1/2039	7,189		7,189
9/1/2039	7,189		7,189
12/1/2039	7,189		7,189
3/1/2040	7,189		7,189
6/1/2040	7,189		7,189
9/1/2040	7,189		7,189
12/1/2040	7,189		7,189
3/1/2041	7,189		7,189
6/1/2041	7,189		7,189
9/1/2041	7,189		7,189
12/1/2041	7,189		7,189
3/1/2042	7,189		7,189
6/1/2042	7,189		7,189
9/1/2042	7,189		7,189
12/1/2042	7,189		7,189
3/1/2043	7,189		7,189
6/1/2043	7,189		7,189
9/1/2043	7,189		7,189
12/1/2043	7,189		7,189
3/1/2044	7,189		7,189
6/1/2044	7,189		7,189
9/1/2044	7,189		7,189
12/1/2044	7,189		7,189
3/1/2045	7,189		7,189
6/1/2045	7,189		7,189
9/1/2045	7,189		7,189
12/1/2045	7,189		7,189
3/1/2046	7,189		7,189
6/1/2046	7,189		7,189
9/1/2046	7,189		7,189
12/1/2046	7,189		7,189
3/1/2047	7,189		7,189
6/1/2047	7,189		7,189
9/1/2047	7,189		7,189
12/1/2047	7,189		7,189
3/1/2048	7,189		7,189

**Bond Debt Service**  
 Town of Fairview  
 \$1,100,000  
 IF  
 0% Interest Rate  
 40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
6/1/2048	7,189		7,189
9/1/2048	7,189		7,189
12/1/2048	7,189		7,189
3/1/2049	7,189		7,189
6/1/2049	7,189		7,189
9/1/2049	7,189		7,189
12/1/2049	7,189		7,189
3/1/2050	7,189		7,189
6/1/2050	7,189		7,189
9/1/2050	7,189		7,189
12/1/2050	7,189		7,189
3/1/2051	7,189		7,189
6/1/2051	7,189		7,189
9/1/2051	7,189		7,189
12/1/2051	7,189		7,189
3/1/2052	7,190		7,190
	1,100,000		1,100,000

(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: \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_



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

Writer's Contact Information

May 24, 2012

Town of Fairview  
Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

Town of Fairview  
Fairview, 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 Fairview (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$1,100,000 Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated May 24, 2012, 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 only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2014, to and including March 1, 2052, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public water system of the Issuer (the "Project"); (ii) funding the Series 2012 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on April 9, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 14, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not 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 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 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 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 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 Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of the System on a parity with the Issuer's Water Revenue Bonds, Series 2000 (United States Department of Agriculture), dated January 27, 2000, issued in the original aggregate principal amount of \$405,000 (the "Series 2000 Bonds"), (the "Prior Bonds").

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

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the 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,

A handwritten signature in cursive script that reads "Steptoe & Johnson PLLC".

STEPTOE & JOHNSON PLLC



full force and effect.

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

4. 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 any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law 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 Bureau for Public Health, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of ordinances prescribing such rates and charges. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal.

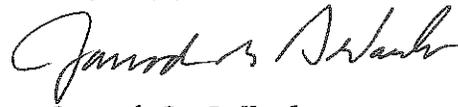
6. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on September 27, 2011, which became final order on October 17, 2011, in Case No. 11-0464-W-CN, granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order remains in full force and effect.

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

8. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. 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, I am of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) 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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jarrod G. DeVault". The signature is written in a cursive style with a large initial "J".

Jarrod G. DeVault

JGD:jd  
cc: File



May 24, 2012

West Virginia Infrastructure and Jobs Development Council

Page 2

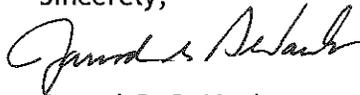
4. We have examined the records on file in the Offices of the Clerks of the County Commissions of Marion and Monongalia Counties, West Virginia, the counties in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain, and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Marion County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation, and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the following pending litigation:

<u>Name</u>	<u>Tax Map</u>	<u>Parcel</u>
Dawson, Hazel Jean, et al.	2	21, 22, 23 & 27

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

Sincerely,



Jarrod G. DeVault

JGD:lek

cc: Town of Fairview  
Kathy Ice, Fairview Water Extension Committee  
Charles Moore, Woolpert, Inc.  
James Hall, Region VI Planning and Development Council  
File

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 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; INDEBTEDNESS
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. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS
16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
17. PUBLIC SERVICE COMMISSION ORDERS
18. SPECIMEN BOND
19. CONFLICT OF INTEREST
20. EXTENSIONS
21. EXECUTION OF COUNTERPARTS

On this 24th day of May, 2012, we, the undersigned MAYOR and RECORDER of the Town of Fairview in Marion County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Town of Fairview Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2012 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted April 9, 2012, and the Supplemental Resolution duly adopted May 14, 2012 (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 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 Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the

Issuer insofar as they relate to the authorization, sale and issuance of the 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.

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 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; INDEBTEDNESS: 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 "Loan Agreement") entered into by and between the Issuer and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"). The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water Revenue Bonds, Series 2000 (United States Department of Agriculture), dated January 27, 2000, issued in the original aggregate principal amount of \$405,000 (the "Series 2000 Bonds"), (the "Prior Bonds").

The Series 2012 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. The Issuer has obtained (i) a 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 2012 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinance.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Water Rate Ordinance

Minutes on Adoption and Enactment of Water Rate Ordinance

Affidavits of Publication of Rate Ordinance and Notice of Public Hearing

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

Evidence of Insurance

Bureau for Public Health

Consent of USDA

Evidence of SCBG

Evidence of Local Grants

Evidence of BPH Design & Planning Grant

West Virginia Infrastructure Council Grant Agreement

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Town of Fairview." 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 a Mayor, a Recorder and 5 councilmembers, all duly elected, 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
Arley Simmons, Mayor	7/1/2011	6/30/2013
Heather Tuttle, Recorder	7/1/2011	6/30/2013
Jim Ammons, Councilmember	7/1/2011	6/30/2013
Ted Tuttle, Councilmember	7/1/2011	6/30/2013
David Mercer, Councilmember	7/1/2011	6/30/2013

David Tuttle, Councilmember	7/1/2011	6/30/2013
Johnny Knotts, Councilmember	7/1/2011	6/30/2013

The duly appointed and acting Counsel to the Issuer is Tharp, Liotta & Yokum, LLP, of 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 Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the 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. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. 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.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority. Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

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

12. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

13. RATES: The Issuer has duly enacted a water rate ordinance on September 26, 2011 setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

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

15. BOND PROCEEDS: On the date hereof, the Issuer received \$68,989.54 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. 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 Virginian*, a newspaper published and of general circulation in the Town of Fairview, 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 Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 9th day of April, 2012, at 7:00 pm, at the 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.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia in Case No. 11-0464-W-CN entered on September 27, 2011 which became final order on October 17, 2011, among other things, 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 Final Order has expired prior to the date hereof. Such Order is in full force and effect.

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

19. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond 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.

20. EXTENSIONS: The Issuer is duly authorized to serve the customers proposed to be served by the Project in Marion and Monongalia Counties.

21. 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.

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

*Auley J. Simon*

Mayor

*Heather Quitt*

Recorder

\_\_\_\_\_

Counsel to Issuer

05.03.12  
271720.00001

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

[CORPORATE SEAL]

SIGNATURE

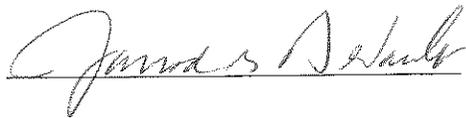
OFFICIAL TITLE

\_\_\_\_\_

Mayor

\_\_\_\_\_

Recorder



Counsel to Issuer

05.03.12  
271720.00001

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

On this 24th day of May, 2012, I, Charles Moore, Registered Professional Engineer, West Virginia License No. 17653, of Woolpert, Inc., Consulting Engineers, in Cincinnati, Ohio, 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 water system (the "System") of the Town of Fairview (the "Issuer"), to be constructed in Marion and Monongalia Counties, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Series 2012 A Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on April 9, 2012, and the Supplemental Resolution adopted by the Issuer on May 14, 2012, and the loan agreement dated May 24, 2012 (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").

2. The Bonds are being issued for the purposes of (i) paying the costs of acquisition and construction of the Project; (ii) funding the Series 2012 A Bonds Reserve Account; and (iii) paying 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 any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 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 described in Schedule B, attached hereto as Exhibit A and the Issuer's counsel, Tharp, Liotta & Yokum, LLP, has ascertained that all 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 successful bidders have provided the drug-free workplace affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) 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; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all applicable 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 the operation of the System; (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 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.

4. The Project has been designed to, and the construction contracts provide for, water service for up to 140 new customers in the Fairview Road and Route 218 areas in Marion and Monongalia Counties.

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

[SEAL]



WOOLPERT, INC.

  
\_\_\_\_\_  
Charles Moore, P.E.,  
West Virginia License No. 17653

Town of Fairview  
 Schedule B  
 IJDC # 2008W-1047

A. COST OF PROJECT	TOTAL	IJDC Loan	IJDC Grant	Mon/Marion Co. Grants	Consol	SCBG	WV BPH Grant
1 Construction	3,532,573.00	730,240.00	832,159.10	636,000.00	100,000.00	1,234,173.90	0.00
Contingency 7.6%	267,840.90	0.00	267,840.90	0.00	0.00	0.00	0.00
2 Technical Services (Woolpert)							
a Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Design	285,688.00	0.00	0.00	0.00	0.00	180,000.00	105,688.00
c. Bidding	15,000.00	15,000.00	0.00	0.00	0.00	0.00	0.00
d. Construction Mgm't	64,000.00	64,000.00	0.00	0.00	0.00	0.00	0.00
e. RPR/Inspection	206,000.00	206,000.00	0.00	0.00	0.00	0.00	0.00
f. Special Services							
1) Leak Detection Audit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2) Record Drawings/Const. Stakeout	8,000.00	8,000.00	0.00	0.00	0.00	0.00	0.00
3) O&M Manual	5,000.00	5,000.00	0.00	0.00	0.00	0.00	0.00
4) Update System Map & Model	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5) Surveys	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6) Archaeological Survey	4,776.00	0.00	0.00	0.00	0.00	0.00	4,776.00
3 Legal	48,000.00	22,000.00	0.00	0.00	0.00	9,491.10	16,508.90
4 Lands & ROWs Region VI	20,000.00	0.00	0.00	0.00	0.00	20,000.00	0.00
5 Sites & Lands	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Administrative Region VI	65,000.00	0.00	0.00	0.00	0.00	50,000.00	15,000.00
Accounting	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00
7 Miscellaneous							
a. WVDOH Inspection Fees/ DOH Bond	6,335.00	0.00	0.00	0.00	0.00	6,335.00	0.00
b. Health Dept. Permit	1,000.00	1,000.00	0.00	0.00	0.00	0.00	0.00
c. NPDES permit	1,000.00	1,000.00	0.00	0.00	0.00	0.00	0.00
d. Railroad Permits	11,200.00	0.00	0.00	0.00	0.00	0.00	11,200.00
e. Permit Railroad	2,100.00	0.00	0.00	0.00	0.00	0.00	2,100.00
f. Appraisals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 TOTAL of Lines 1 through 7	4,563,512.90	1,052,240.00	1,100,000.00	636,000.00	100,000.00	1,500,000.00	175,272.90
<b>B. COST OF FINANCING</b>							
9 Funded Reserve	28,760.00	28,760.00	0.00	0.00	0.00	0.00	0.00
10 Capitalized Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Registrar	500.00	500.00	0.00	0.00	0.00	0.00	0.00
12 Bond Counsel	18,500.00	18,500.00	0.00	0.00	0.00	0.00	0.00
13 Cost of Financing (lines 9 through 12)	47,760.00	47,760.00	0.00	0.00	0.00	0.00	0.00
14 TOTAL PROJECT COST line 8 plus line 13	4,611,272.90	1,100,000.00	1,100,000.00	636,000.00	100,000.00	1,500,000.00	175,272.90
<b>C. SOURCES OF OTHER FUNDS</b>							
13 Federal Grants (SCBG)	1,500,000.00	0.00	0.00	0.00	0.00	1,500,000.00	0.00
14 Federal Grants (WV BPH)	175,272.90	0.00	0.00	0.00	0.00	0.00	175,272.90
15 State Grants (IJDC)	1,100,000.00	0.00	1,100,000.00	0.00	0.00	0.00	0.00
16 Other Grants (Mon/Marion Counties)	636,000.00	0.00	0.00	636,000.00	0.00	0.00	0.00
17 Other Grants (Consol)	100,000.00	0.00	0.00	0.00	100,000.00	0.00	0.00
18 TOTAL GRANTS Lines 13 through 17	3,511,272.90	0.00	1,100,000.00	636,000.00	100,000.00	1,500,000.00	175,272.90
19 Size of Bond Issue (line 14 minus Line 18)	1,100,000.00	1,100,000.00	0.00	0.00	0.00	0.00	0.00

  
 Town of Fairview

May 24, 2012  
 Date

  
 Woolpert

May 24, 2012  
 Date



## 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

May 24, 2012

Town of Fairview  
Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

Town of Fairview  
Fairview, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council  
Charleston, West Virginia

United States Department of Agriculture  
Elkins, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance dated September 26, 2011 and the current operation and maintenance expenses and customer usage as furnished to us by the Town of Fairview (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will (i) pay all repair, operation and maintenance expenses of the System, and (ii) leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund) (the "Bonds"), to be issued in the principal amount of \$1,100,000, and all other obligations secured by a lien on or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's Water Revenue Bonds, Series 2000 (United States Department of Agriculture), dated January 27, 2000, issued in the original aggregate principal amount of \$405,000 (the "Series 2000 Bonds"), (the "Prior Bonds").

It is further our opinion that the Net Revenues for the Fiscal Year following the year in which the Series 2012 A Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2012 A Bonds.

Very truly yours,

*Bennett & Dobbins, CPAs*

Bennett & Dobbins, CPAs

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

On this 24th day of May, 2012, the undersigned Mayor of the Town of Fairview in Marion County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$1,100,000 Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, dated May 24, 2012 (the "Bonds" or the "Series 2012 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 April 9, 2012, as supplemented by Supplemental Resolution duly enacted by the Issuer on May 14, 2012, (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 May 24, 2012, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2012 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 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 2012 A Bonds were sold on May 24, 2012, to the Authority, pursuant to a Loan Agreement dated May 24, 2012, by and among the Issuer, the Authority and the Council, for an aggregate purchase price of \$1,100,000 (100% of par), at which time, the Issuer received \$68,989.54 from the Authority and the Council, being the first advance of the principal amount of the Series 2012 A Bonds. No accrued interest has been or will be paid on the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2012 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public water of the Issuer (the "Project"), (ii) funding the Series 2012 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 and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2012 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 December 1, 2013. The acquisition and construction of the Project is expected to be completed by June 1, 2013.

8. The total cost of the Project is estimated at \$4,611,272.90. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2012 A Bonds	\$1,100,000.00
Proceeds of the SCBG	\$1,500,000.00
Proceeds of Infrastructure Council Grant	\$1,100,000.00
Proceeds of BPH Design & Planning Grant	\$175,272.90
Proceeds of Local Contributions	\$736,000.00
Total Sources	<u>\$4,611,272.90</u>

USES

Costs of Project	\$4,563,512.90
Fund Series 2012 A Bonds Reserve	\$28,760.00
Costs of Issuance	\$19,000.00
Total Uses	<u>\$4,611,272.90</u>

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created relative to the Series 2012 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2012 A Bonds Construction Trust Fund;
- (4) Series 2012 A Bonds Sinking Fund; and

(5) Series 2012 A Bonds Reserve Account.

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

(1) From the proceeds of the Series 2012 A Bonds, there shall first be deposited with the Commission in the Series 2012 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 2012 A Bonds for the period commencing on the date of issuance of the Series 2012 A Bonds and ending 6 months after the estimated date of completion of construction of the Project;

(2) Next, from the proceeds of the Series 2012 A Bonds, there shall be deposited with the Commission in the Series 2012 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 A Bonds Reserve Account.

(3) The remaining proceeds of the Series 2012 A Bonds shall be deposited in the Series 2012 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 2012 A Bonds and related costs.

11. Moneys held in the Series 2012 A Bonds Sinking Fund will be used solely to pay principal of the Series 2012 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2012 A Bonds Sinking Fund and Series 2012 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2012 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 12 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 2012 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 18 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 public purpose bonds.

23. The Issuer has either (a) funded the Series 2012 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 2012 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2012 A Bonds Reserve Account hold 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. Moneys in the Series 2012 A Bonds Reserve Account and the Series 2012 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.

[Remainder of Page Intentionally Blank]

WITNESS my signature as of the date first written above.

TOWN OF FAIRVIEW

By:   
Its: Mayor

05.03.12  
271720.00001

The notice of T. B. Youst, \_\_\_\_\_ and certain other citizens of the town of Fairview in this County having been posted according to law \_\_\_\_\_ to this the second day of the present term of the Court was presented by their attorney B. F. Charlton and being examined by the Court was on their motion docketed,

Application of the citizens of Fairview in Paw Paw district of Marion County West Virginia for Incorporation. The certificate required in such case having been presented and docketed at a former day of this term of Court to wit on the second day thereof that a majority of the qualified voters at an election held within the proposed limits of the town of Fairview in Paw Paw district Marion Co. W. Va had voted for incorporation, which certificate was returned under oath of A.E. Morgan, G. W. Toothman and David *Ausmous*, and satisfactory proof having been produced to the Court that all the provisions of sections No. 2, 3, 4, 5 6.7 and 8 of Chapter 47 of the code of West Virginia have been complied with, the Clerk of the Court is directed to issue a certificate of the incorporation of such Town of Fairview as follows:

A certificate under oath of A.E. Morgan, G.W. Toothman and David *Arumous* was this day filed showing that a majority of all the qualified voters residing in the following boundary, to wit:

Beginning at an apple tree at A.M. Haught's field on the eastern side of said town and running thence North ten degrees east eighty five poles to a stone in George W. Brown's field, thence North eighty degrees west one hundred and sixty five poles crossing the left hand fork of Paw Paw creek to a stone in *Jehu D. Yount's* heirs field, thence south eighty degrees, east one hundred and sixty five poles to a stone in Mary A. Barnetts field thence North ten degrees east eighty poles crossing Paw Paw creek again to the beginning containing one hundred and seventy acres, and twenty five square poles have been given in due form of law in favor of the incorporation of the town of Fairview in the county of Marion bounded as herein set forth. And it appearing to the satisfaction of the court that all the provisions of chapter forty seven of the code of West Virginia has 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. And the court doth appoint A.E. Morgan, G.W. Toothman and David *Arumous* to act as inspectors at the first election to be held in said Town of Fairview.

Ordered that this court do now adjourn until tomorrow morning at nine o'clock

*MSdayans*

*In margin:* \_\_\_\_\_ field fork of said creek to a stone in field of *Jiles D. Youst's* heirs; thence south ten degrees i \_\_\_\_\_ one hundred and sixty five poles crossing

[see Page 207-208 LAW ORDER – Marion Circuit Court]  
1891

The notice of O. B. Jones, plaintiff, and certain other citizens of the town of Harvium in this County having been posted according to law returnable to this the second day of the present term of this Court was presented by their attorney B. F. Charlton & being examined by the Court was on their motion docketed.

1891

Application of the citizens of Harvium in Paw-Paw district of Marion County West Virginia for Incorporation. The certificate required in such case having been presented and docketed at a former day of this term of Court, to wit on the second day thereof, that a majority of the qualified voters at an election held within the proposed limits of the town of Harvium in Paw-Paw district - Marion Co. W. Va had voted for incorporation, which certificate was returned under oath of A. E. Morgan, G. W. Boothman and David Ammons, and satisfactory proof having been produced to the Court that all the provisions of sections No 2, 3, 4, 5, 6, 7 and 8 of Chapter 47 of the code of West Virginia have been complied with, the Clerk of this Court is directed to issue a certificate of the incorporation of such town of Harvium as follows:

A certificate under oath of A. E. Morgan, G. W. Boothman and David Ammons was this day filed showing that a majority of all the qualified voters residing in the following boundary, to wit: Beginning at an apple tree in C. M. Haught's field on the eastern side of said town and running thence North ten degrees east eighty five poles to a stone in George W. Brown's field, thence North eighty degrees west one hundred and sixty five poles crossing the left hand fork of Paw-Paw creek to a stone in Jehu D. Jones' field, thence South eighty degrees, East one hundred

A. B. my field fork of said creek to a stone - field of Jehu D. Jones' field; thence South ten degrees W. One hundred and sixty five poles crossing

## LAW ORDERS--MARION CIRCUIT COURT.

Term,

Day of

18

and sixty five poles to a stone in Mary A Barnett's field thence North ten degrees east eighty poles crossing PawPaw creek again to the beginning containing one hundred and seventy acres, and twenty five square poles have been given in due form of law in favor of the incorporation of the town of Fairview in the county of Marion bounded as herein set forth. And it appearing to the satisfaction of the court that all the provisions of chapter forty seven of the code of West Virginia has 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. and the court doth appoint A. E. Morgan, H. W. Toothman and David Stummons to act as inspectors at the first election to be held in said Town of Fairview.

Ordered that this court do now adjourn until tomorrow morning at nine o'clock

J. M. Haynes

TOWN OF FAIRVIEW

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 Fairview 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:

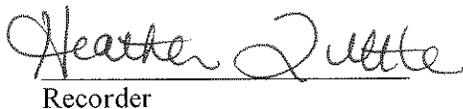
1. Regular Meetings. A notice shall be posted and maintained by the Clerk at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Clerk not less than 3 business days 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 Clerk at the front door or bulletin board of the Town Hall not less than two business days 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 14th day of May, 2012.

  
Mayor

  
Recorder

# TOWN OF FAIRVIEW

FAIRVIEW, WEST VIRGINIA 26670

## OATH OF OFFICE

I, Arley L Simmons, do solemnly swear or affirm that I will support and defend the Constitution of the United States of America, and the Constitution of the State of West Virginia, and the Ordinance of the Town of Fairview, and that I will do the best of my ability, faithfully perform the duties of Mayor of the Town of Fairview, West Virginia, so help me God.

Heather Little <sup>acting</sup> Mayor <sup>Recorder</sup>  
MAYOR

Subscribed and sworn to before me this 1st day  
of July 2011.

Heather Little  
RECORDER

# TOWN OF FAIRVIEW

FAIRVIEW, WEST VIRGINIA 26570

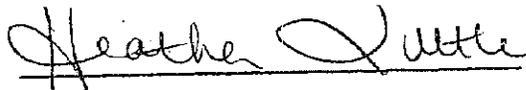
## OATH OF OFFICE

I, Heather Tuttle, do solemnly swear or affirm that I will support and defend the Constitution of the United States of America, and the Constitution of the State of West Virginia, and the Ordinance of the Town of Fairview, and that I will do the best of my ability, faithfully perform the duties of Recorder of the Town of Fairview, West Virginia, so help me God.



MAYOR

Subscribed and sworn to before me this 1st day  
of July 20 11.



RECORDER

# TOWN OF FAIRVIEW

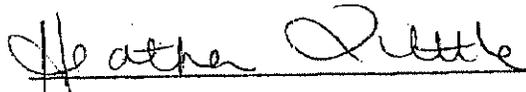
FAIRVIEW, WEST VIRGINIA 26570

## OATH OF OFFICE

I, JAMES Ammons, do solemnly swear or affirm that I will support and defend the Constitution of the United States of America, and the Constitution of the State of West Virginia, and the Ordinance of the Town of Fairview, and that I will do the best of my ability, faithfully perform the duties of COUNCILMAN of the Town of Fairview, West Virginia, so help me God.

  
MAYOR

Subscribed and sworn to before me this 1st day  
of July 2011.

  
RECORDER

# TOWN OF FAIRVIEW

FAIRVIEW, WEST VIRGINIA 26570

## OATH OF OFFICE

I, David K. Tuttle, do solemnly swear or affirm that I will support and defend the Constitution of the United States of America, and the Constitution of the State of West Virginia, and the Ordinance of the Town of Fairview, and that I will do the best of my ability, faithfully perform the duties of Council of the Town of Fairview, West Virginia, so help me God.

July 7 2011  
MAYOR

Subscribed and sworn to before me this 1st day  
of July 2011.

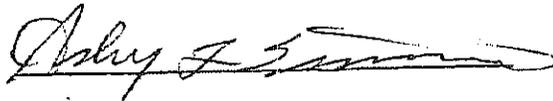
Heather Tuttle  
RECORDER

# TOWN OF FAIRVIEW

FAIRVIEW, WEST VIRGINIA 26570

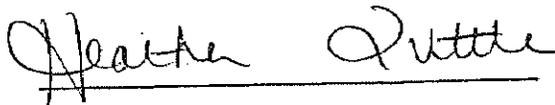
## OATH OF OFFICE

I, Johnny W Knotts, do solemnly swear or affirm that I will support and defend the Constitution of the United States of America, and the Constitution of the State of West Virginia, and the Ordinance of the Town of Fairview, and that I will do the best of my ability, faithfully perform the duties of Mayor Johnny W Knotts of the Town of Fairview, West Virginia, so help me God.



MAYOR

Subscribed and sworn to before me this 1<sup>st</sup> day  
of July 20 11.



RECORDER

# TOWN OF FAIRVIEW

FAIRVIEW, WEST VIRGINIA 26570

## OATH OF OFFICE

I, David L. Mercer, do solemnly swear or affirm that I will support and defend the Constitution of the United States of America, and the Constitution of the State of West Virginia, and the Ordinance of the Town of Fairview, and that I will do the best of my ability, faithfully perform the duties of Counsel of the Town of Fairview, West Virginia, so help me God.

Asley F. Sumner  
MAYOR

Subscribed and sworn to before me this 1st day  
of July 2011.

Heather Riddle  
RECORDER

# TOWN OF FAIRVIEW

FAIRVIEW, WEST VIRGINIA 26570

## OATH OF OFFICE

I, Ted Tuttle, do solemnly swear or affirm that I will support and defend the Constitution of the United States of America, and the Constitution of the State of West Virginia, and the Ordinance of the Town of Fairview, and that I will do the best of my ability, faithfully perform the duties of Councilman of the Town of Fairview, West Virginia, so help me God.

Ted Tuttle

Debra F. ...

MAYOR

Subscribed and sworn to before me this 19<sup>th</sup> day of July 2011.

Heather Tuttle

RECORDER

ORDINANCE NO. 303

AN ORDINANCE AUTHORIZING AN INCREASE IN RATES  
FOR THE WATER CUSTOMERS OF THE TOWN OF FAIRVIEW

The Town Council of the Town of Fairview, West Virginia, hereby ordains:

SECTION ONE

This ordinance is enacted pursuant to the provisions of West Virginia Code Chapter 8, Article 19, and other applicable provisions of law.

SECTION TWO

The Town of Fairview owns and operates a water distribution system which furnishes water service to the residences, premises, and businesses residing or located within and without the area of the Town of Fairview. In order to generate sufficient revenues necessary to provide for operation and maintenance expenses of this system, to provide for reasonable routine capital improvements and to meet debt service requirements, it is necessary to establish new rates and charges for the services of the system.

SECTION THREE

The following rates and charges for the services of the water system of the Town of Fairview shall apply as hereinafter provided:

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the utility or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank for insufficient funds.

LEAK ADJUSTMENT INCREMENT

A leak adjustment charge of \$0.75 will be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

MUNICIPAL EXCISE TAX SURCHARGE

The Municipality listed below, having imposed public utility tax computed on the basis of two percent of revenues from water sales by the Town of Fairview's water utility within the corporate limits of such municipalities, shall be billed as a surcharge to the customers receiving service within said corporate limits.

The water utility is required to collect the utility tax pursuant to West Virginia Code §8-3-5a.

Customers receiving water service within the corporate limits of the specified municipality shall pay a surcharge based on the following surcharge rates:

Municipality - Town of Fairview  
Surcharge - Two percent (2%) of the gross amount billed.

SECURITY DEPOSIT

Not to exceed one-twelfth (1/12) of the annual estimated charge for residential service or one-sixth (1/6) of annual estimated charge for commercial service. The normal, minimum residential deposit shall be \$35.00.

PAYMENT PLAN FOR ACCOUNTS IN ARREARS

In the event a customer becomes delinquent to the point of having their water account lagged for cutoff, a \$15.00 administrative fee will be assessed to the customer's account if the customer chooses to pay the Water Department employee who has been dispatched to turn off the water at the service address. This fee must be paid in addition to all arrearage amounts to prevent shutoff of the water service. If the customer chooses to sign up for a payment plan, a \$50.00 administrative fee will be assessed to the customer's account, and the customer must sign up for the payment plan prior to the cutoff date and time.

FAIRVIEW  
JUN 15 AM 2:55  
WV STATE ARCHIVE  
REC'D - JUN 15 2015

Town of Fairview  
Water Department  
Current and Proposed Rates

		<u>Current rates:</u>	<u>Proposed rates:</u>
First	5,000 gallons	\$ 9.64 per 1,000 gallons	\$ 12.55 per 1,000 gallons
All over:	5,000 gallons	\$ 4.65 per 1,000 gallons	6.06 per 1,000 gallons

Note:

Proposed rates will generate annually about \$ 44,400 ( 30.23% ) in additional revenue from customers assuming customer usage remains consistent. The increase for customers based on an average usage of 4,500 gallons of water is \$13.09. This increase includes cost of additional employee (25,000), cost of new Water truck financed at (\$5,000) a year, to replace funds used from restricted accounts in prior year and current year ( 14,000).

Proposed rates:

At 2,000 gallons -	\$ 25.10 ( minimum bill )
At 3,000 gallons -	37.65
At 4,000 gallons -	50.20
At 5,000 gallons -	62.75
At 6,000 gallons -	68.81
At 7,000 gallons -	74.87
At 8,000 gallons -	80.93
At 9,000 gallons -	86.99
At 10,000 gallons -	93.05

5/8 inch meter	25.10
3/4 inch meter	37.67
1 inch meter	62.78
1 1/2 inch meter	125.58
2 inch meter	200.93
3 inch meter	376.75
4 inch meter	627.93
6 inch meter	1,255.85

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant: A tap fee of \$250.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap for service.

RECONNECTION CHARGE

A reconnection charge of \$40.00 is to be charged whenever the supply of water has been turned off for violations of rules, nonpayment of bills, or fraudulent use of water.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the utility or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

This ordinance shall become effective after the passage of forty-five (45) days following its adoption, subject to approval by the Public Service Commission of West Virginia

9-12-11

First Reading

9-12-11 waived

Second Reading

9-26-11

Passage on Third Reading and Public Hearing

11-10-11

Effective Date

TOWN OF FAIRVIEW

By Aaly Brown  
Mayor

Attest:

Heather Dutton  
Recorder

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 (25%) 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 be addressed to:

Executive Secretary,  
PSC of West Virginia  
201 Brooks Street  
PO Box 812  
Charleston, WV 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:

Town of Fairview Town Hall  
407 Main Street  
PO Box 119  
Fairview, WV 26570

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, PO Box 812, Charleston, WV 25323.

September 12, 2011

Mayor Arley L. Simmons called the meeting to order with a moment of silence, followed by the Pledge of Allegiance. Present with the Mayor were Council: Ted Tuttle, Dave Mercer, Johnny Knotts, and Jim Ammons, Recorder Heather Tuttle, Chief Triplett, others attending: Tom and Kay Angel, Phyllis Knotts, Wayne Shuman.

\*\* Jim made a motion to adopt the agenda, 2<sup>nd</sup> by Dave Mercer. Motion passed.

\*Ted made a motion to approve the minutes, 2<sup>nd</sup> by Jim. Motion passed

Speakers register:

No one on the speaker register

FINANCIAL REPORT read by Dave Mercer. The water fund is still in bad shape. The Marion County Commission donated a check in the amount of \$23,000.00 to the Town of Fairview for the sewage repairs on School Street and Mason Lane. The check will be made payable to Greater Paw Paw Sanitary District in the amount of \$22,000.00 and the other \$1,000.00 will be made payable to the Property owner with the damage done from the sewage problem and to help fix, clean out drains. Jim made a motion to accept the finance and ordinance report, 2<sup>nd</sup> by Johnny. Motion passed

Committee Reports:

Finance and Ordinance- Dave Mercer reported that he will be working on amending the Trash Ordinance no. 253.

Grounds-Ted made a motion to purchase a cart to hold the chairs on for the upstairs town hall, the cost is \$149.00 taken out of Coal Severance account, 2<sup>nd</sup> by Jim. Motion passed

\*Ted made a motion to accept the grounds report, 2<sup>nd</sup> by Dave Mercer. Motion passed

Police-Jim reported that he is checking on the gas prices in the cruiser, gases prices went down in July and August. \*Dave Mercer made a motion to accept the police report, 2<sup>nd</sup> by Ted. Motion passed

Streets-Johnny reported that he talked to C.W. Stickley regarding the Street Paving and he will be out in October. Also, Johnny reported that he put up the Engine Brake prohibited signs, and is checking on cinders being purchased through the State D.O.H.

Jim made a motion to accept the street report, 2<sup>nd</sup> by Dave Mercer. Motion passed

Water-Ted reported that the Water Dept. fund is still in bad financial shape, and he has been working with all figures and our Auditor to help the water fund.

\*David made a motion to accept the water report, 2<sup>nd</sup> by Jim. Motion passed

Old business: No Old business

New Business-

A. Water rate increase

\*Mayor Arley Simmons read the Water Rate Increase Ordinance no. 303 in its entirety.

\*Ted made a motion to approve the 1<sup>st</sup> reading on the Water Rate Ordinance No.303, 2<sup>nd</sup> by Jim. Motion passed.

\*Jim made a motion to waive the 2<sup>nd</sup> reading of the water rate increase ordinance no. 303, 2<sup>nd</sup> by Johnny. Motion passed

3<sup>rd</sup> and final reading will be at the next council meeting on September 26, 2011.

B. Finance and Ordinance will work on amending the Trash Ordinance no. 253

C. Two Budget Revisions

1. Animal control from city hall budget,

\*Ted made a motion to take \$470.07 from city hall, and apply to animal control expense account no. 707, 2<sup>nd</sup> by Johnny. Motion passed

\*Jim made a motion to take \$17,000.00 from city hall account to Streets account no. 750 for the street paving and patching throughout the Town, 2<sup>nd</sup> by Ted. Motion passed

EXECUTIVE SESSION: - - - - -

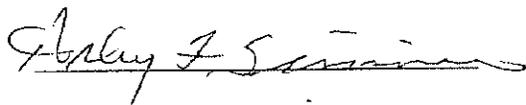
Ted made a motion to go into Executive Session, 2<sup>nd</sup> by Dave Mercer. Motion passed

Ted made a motion go out of executive session, 2<sup>nd</sup> by Jim. Motion passed

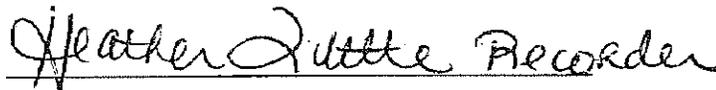
\*Mayor and Council request State Police and County back-up with the Police business. Council is requesting that we ask county and state Police for help with cases. (Especially with a rape case).

\*Mayor and council talked to Trip, regarding getting help from the county and state police dept. Help with the warrants that needed served. Also, asking why the warrant for the dog complaint on Summers Lane hasn't been served. Trip said he just got the warrant and council recommending that the warrant be served by the state or counties. Trip said the warrant had to be served between 9-4, council said to serve it during the work hours or go to his job and serve it.

Meeting Adjourned!



Arley L. Simmons, Mayor



Heather Tuttle, Recorder

9/26/11 at 18:36:41.08

**Town of Fairview - Water Fund  
Check Register  
For the Period From Sep 1, 2011 to Sep 30, 2011**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4471	9/6/11	Christopher J. Scritch	131	1,037.57
4472	9/6/11	Lisa M. Roupe	131	293.05
4473	9/8/11	Monumental Public S	131	232.59
4474	9/8/11	Allegheny Power	131	1,049.81
4475	9/8/11	Dominion Hope	131	129.00
4476	9/8/11	Greater Paw Paw Sa	131	801.79
4477	9/8/11	Best Business Strate	131	139.50
4478	9/9/11	PEIA Insurance	131	809.00
4479	9/9/11	Retiree Health Benefi	131	167.00
4480	9/15/11	WV Public Retirement	131	622.74
4481	9/15/11	WV Dept. of Tax & R	131	152.00
ach	9/16/11	Internal Revenue Ser	131	1,004.03
4482	9/19/11	Peachtree Checks&F	131	204.90
4483	9/19/11	Times West Virginian	131	536.73
4484	9/19/11	Miss Utility of Weat V	131	10.00
4485	9/19/11	Randall E. Vernon	131	750.00
4487	9/20/11	Christopher J. Scritch	131	1,030.95
4488	9/20/11	David W. Santee	131	516.69
4489	9/20/11	Lisa M. Roupe	131	203.28
4490	9/21/11	Postmaster	131	17.94
4491	9/22/11	United Bankcard Cen	131	183.41
<b>Total</b>				<u><u>9,891.98</u></u>

Water Fund Balance \$ 6,226.14

Payroll due next week on Tuesday, Oct. 4th  
and the balance is up due to us borrowing monies  
out of emergency funds.

5/26/11 at 18:33:31.59

Page: 1 of 1

**Town of Fairview - General fund  
Check Register  
For the Period From Sep 1, 2011 to Sep 30, 2011**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
5657	9/1/11	Lisa M. Roupe	101	30.00
5659	9/1/11	Heather Tuttle	101	150.00
5660	9/1/11	Earnest C. Triplett	101	839.79
5661	9/6/11	Heather Tuttle	101	445.30
5662	9/6/11	TERRY WRUBLESKI	101	192.50
5663	9/6/11	Joey Scritchfield	101	166.75
5664	9/8/11	Remittance Processi	101	50.00
5665	9/8/11	Frontier	101	119.75
5666	9/8/11	U.S. Cellular	101	100.99
5667	9/8/11	Allegheny Power	101	370.99
5668	9/8/11	Allegheny Power	101	514.01
5669	9/8/11	Postmaster	101	100.00
5670	9/8/11	Fairview Water Depa	101	21.21
5671	9/8/11	Greater Paw Paw Sa	101	22.97
5672	9/8/11	Best Business Strate	101	139.50
5673	9/9/11	Greater Paw Paw Sa	101	22,000.00
5674	9/15/11	Earnest C. Triplett	101	839.79
5675	9/15/11	WV Public Retirement	101	424.44
5676	9/15/11	WV Dept. of Tax & R	101	84.00
5677	9/16/11	Internal Revenue Ser	101	463.67
5678	9/20/11	TERRY WRUBLESKI	101	210.00
5679	9/22/11	Johnny Knotts	101	9.80
5680	9/22/11	WV Public Retirement	101	50.00
5681	9/22/11	Times West Virginian	101	37.50
5682	9/22/11	Dominion Hope	101	207.00
5683	9/22/11	Marion County Com	101	47.07
5684	9/22/11	United Bankcard cent	101	870.13
5685	9/22/11	Chico Enterprises, In	101	18.87
<b>Total</b>				<u><u>28,887.57</u></u>

General Fund \$38,025.13  
 Mildred Wilson checking 356.05

Mildred Wilson CO'S  
 13,625.10  
 5,952.28  
 Coal Severance Balance \* 1,955.74

September 26, 2011

Mayor Arley L. Simmons called the meeting to order with a moment of silence, followed by the Pledge of Allegiance. Present with the Mayor were Council: Ted Tuttle, Dave Mercer, Johnny Knotts, David Tuttle, and Jim Ammons, Recorder Heather Tuttle, others attending: Lana Smith with Region VI, and Wayne Shuman.

\*\* Jim made a motion to adopt the agenda, 2<sup>nd</sup> by Dave Mercer. Motion passed.

\*David Tuttle made a motion to approve the minutes, 2<sup>nd</sup> by Johnny Knotts. Motion passed

Speakers register: Lana Smith with Region VI Representing Jim Hall spoke to Mayor and council regarding appraiser and drawdown. Lana also reported on properties that still need rights-of ways: Consol property, Mary Walls property for booster pump, David and Susan Price property, and the owner of Gun property. Lana reported 7 properties that they are still working on. Chico Appraisal services\*  
Ted made a motion to accept Chico appraisal services, 2<sup>rd</sup> by David Tuttle. Motion passed

\*David Tuttle made a motion to purchase property from Mary Walls for \$3,500.00 for a booster pump, 2<sup>nd</sup> by Johnny Knotts. Motion passed

Wayne Shuman spoke to Mayor and Council about the Police chief stopping him at 15 till 4:00 and he had his granddaughter with him, and it really scared her. Mr. Shuman said it was after 3:45 and The One Way sign doesn't apply after that time. Complaint with the Chief stopping him 3 times and he keeps telling him he is going to fine him \$200.00 if he continues to drive out the One Way School Street during these hours. He is tired of getting harassed, and had his granddaughter with him. This really upset my granddaughter. Mayor Arley said he and Council would look into this.

FINANCIAL REPORT read by Dave Mercer.

Dave Mercer said water Fund very misleading, and gave reports in general funds, and Coal Severance fund. Water Fund still in bad financial shape.

\*David Tuttle made a motion to accept the financial report, 2<sup>nd</sup> by Jim. Motion passed

Committee Reports:

Finance and Ordinance- Dave Mercer reported that he will be working on 2 Ordinance for next meeting, Engine Braking prohibited, amending the Trash Ordinance no. 253.

Grounds-Ted made a motion to purchase a cart to hold the chairs on for the upstairs town hall, the cost is \$149.00 taken out of Coal Severance account, 2<sup>nd</sup> by Jim. Motion passed

\*Ted made a motion to accept the grounds report, 2<sup>nd</sup> by Dave Mercer. Motion passed

Police-Jim reported that he is checking on the gas prices in the cruiser, gases prices went down in July and August. \*Dave Mercer made a motion to accept the police report, 2<sup>nd</sup> by Ted. Motion passed

Streets-Johnny reported that he replaced the signs for no engine braking again. Johnny reported on the pea gravel no.8 stone for cinders and has been in contact with Steve chisler.

Jim made a motion to accept the street report, 2<sup>nd</sup> by Dave Mercer. Motion passed

Water-Ted reported that the Water Dept. fund is still in bad financial shape, Chris is working on another water leak at the water station.

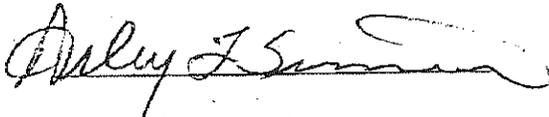
\*David made a motion to accept the water report, 2<sup>nd</sup> by Jim. Motion passed

Old business:

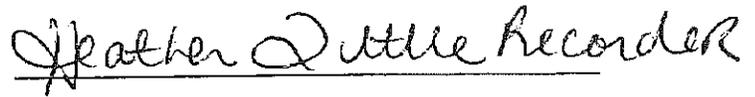
3<sup>rd</sup> and Final Reading Water Rate Increase Ordinance no. 303

Ted made a Motion to accept the 3<sup>rd</sup> and final reading water rate Increase Ordinance 303, 2<sup>nd</sup> ohnny,  
Motion passed. No one Opposed

Meeting Adjourned!



Arley L. Simmons, Mayor



Heather Tuttle, Recorder

10/10/11 at 15:39:37.83

**Town of Fairview - General fund**  
**Check Register**  
**For the Period From Oct 1, 2011 to Oct 31, 2011**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
5694	10/3/11	Heather Tuttle	101	150.00
5695	10/3/11	Lisa M. Roupe	101	30.00
5696	10/3/11	TERRY WRUBLESKI	101	215.00
5697	10/4/11	Heather Tuttle	101	291.54
5698	10/6/11	Sams Club	101	47.29
5699	10/6/11	Department of Highw	101	3,500.00
5700	10/10/11	Allegheny Power	101	514.01
5701	10/10/11	Fairview Water Depa	101	19.28
5702	10/10/11	Greater Paw Paw Sa	101	20.88
5703	10/10/11	Matthew Bender & C	101	57.47
5704	10/10/11	SMALLWOOD SANI	101	160.08
5705	10/10/11	Johnny Knotts	101	65.00
<b>Total</b>				<u><u>5,070.55</u></u>

General Fund Ending Balance \$ 31,676.65

Mildred Wilson Estate - 356.05

CDI - \$13,625.10

CDII - \$5,952.28

10/10/11 at 15:44:20.37

**Town of Fairview - Water Fund  
Check Register  
For the Period From Oct 1, 2011 to Oct 31, 2011**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4496	10/3/11	Lisa M. Roupe	131	299.23
4498	10/3/11	Christopher J. Scritch	131	983.59
4499	10/4/11	David W. Santee	131	566.58
4500	10/6/11	Greater Paw Paw Sa	131	826.85
4501	10/6/11	Dominion Hope	131	129.00
4502	10/6/11	C.I. Thornburg Co.IN	131	847.50
4503	10/6/11	PEIA Insurance	131	809.00
4504	10/6/11	Retiree Health Benefi	131	167.00
<b>Total</b>				<u><u>4,628.75</u></u>

Water Department Ending Balance

\$7,253.86

Bills need paid

Loan pymt

Quarterly's + Payroll

Payroll taxes due 15<sup>th</sup>

Retirement

Water Fund Balance is up due to, the  
down freezing 2 months of Loan payments.

**AFFIDAVIT OF PUBLICATION** 011435

State of West Virginia  
County of Marion, to wit:

RECEIVED

11 OCT -3 AM 8:10

I, Eric Carey WVA PUBLIC SERVICE, being first duly sworn upon my oath,

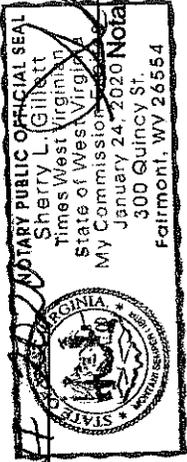
do dispose and say that I am Secretary of the of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMES WEST VIRGINIAN** an Independent newspaper:

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 Pre-Adoption water rate changes was duly published in said newspaper once week for one successive week (Class I), commencing with the issue of the 19 day of September, 2011, and ending with the issue of the 19 day of September, 2011, and was posted at the front door of the Marion County Courthouse on the 19 day of September, 2011; that said annexed notice was published on the following dates: September 19 2011 and the cost of publishing said annexed notice as aforesaid was \$ 48.28.

Taken, subscribed and sworn to before me in said county this 27 day of Sept, 2011.

My commission expires Eric Carey  
Notary Public of Marion County, West Virginia



**PRE-ADOPTION NEWSPAPER NOTICE FOR WATER RATE CHANGES**  
3rd and FINAL READING.  
FOR  
ORDINANCE NO. 303  
TOWN OF FAIRVIEW,  
FAIRVIEW, WV 26570  
MONDAY, SEPTEMBER 19, 2011, 7:00 P.M.  
**NOTICE**  
Notice is hereby given that the Town of Fairview, a municipal corporation, will hold a hearing before the first vote on a proposed ordinance, the principal object of which is the increase of water rates for customers of the water system operated by the Town of Fairview. The title of such ordinance is: "An Ordinance to Increase Water Rates". The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the Town of Fairview, Town Hall, 407 Main Street, Fairview, West Virginia, on 28th of September, 2011, at 7:00 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 are available at the Office of the Clerk, Town Hall, Fairview, West Virginia. Times: September 19, 2011

**AFFIDAVIT OF PUBLICATION**

State of West Virginia

County of Marion, to wit:

REC'D

NOV 15 AM 8:15

I, Bucky A. Miller, being first duly sworn upon my oath, do dispose and say that I am Legal Advisor 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 Waffle Form was duly published in said newspaper once week for 2 successive weeks (Class II), commencing with the issue of the 1 day of October 2011 and ending with the issue of the 8 day of October 2011, and was posted at the front door of the Marion County Courthouse on the 1 day of October 2011; that said annexed notice was published on the following dates: October 1 & 2, 2011

and the cost of publishing said annexed notice as aforesaid was \$ Twenty 0.00 day of October 2011. Taken, subscribed and sworn to before me in said county this 1 day of October 2011. My commission expires October 3, 2011

Notary Public of Marion County, West Virginia

**Legals**

Customers served by such municipality operators shall be notified by utility of:

(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 changes in said rates or charges and who presents to the Commission a petition alleging discrimination against customers within and without the municipal boundaries. Such 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 be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 E. Boone Street, P. O. Box 612, Charleston, West Virginia 25302.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning the rates, is available to all customers prospective customers of the utility at the following office of the utility: Town of Fairview, 502 Main Street, Fairview, WV 25876

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission, P. O. Box 612, Charleston, West Virginia 25302.

Times, October 3, 2011

**Legals**

Public Utility No. 12

**USLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES**

This is hereby given that on February 15, 2011, the utility has started by notice on September 2011 a rate containing increased rates and charges for furnishing water service to 340 customers in the City of Marion.

Proposed increases and charges will be effective November 2011 unless otherwise stated by the Public Utility Commission and are approximately as follows: an increase of 30.28% to the average monthly bill for the use of water and sewerage will be changed as follows:

INCREASE (%)

General	\$19.28; 25.10%
Industrial	28.03; 37.55%
Special N/A	
State N/A	
Other N/A	

Increases shown are based on the indicated rates. Individual customers may receive increases that are greater or less than the percentages shown. The rates are only a projection and are subject to change. The Public Utility Commission shall review the proposed rates and may take action on any day of the month of October (30) days of the proposed rates. The charges by:

any customer employed by the utility or the utility who presents to the Commission a petition that by not less than fifty-five percent of the

February 13, 2012

Mayor Arley L. Simmons called the meeting to order with a moment of silence, followed by the Pledge of Allegiance. Present with the Mayor were Council: Ted Tuttle, Johnny Knotts, and Jim Ammons, and Dave Mercer, and Recorder Heather Tuttle.

\*\* 2 changes to the agenda:

New Business- Water Project Bond Ordinance  
And drop Executive Session-personnel.

\*\*Ted made a motion to adopt the agenda with the two changes removing the Executive Session off the agenda for Personnel and adding New Business Water Project Bond Ordinance, 2<sup>nd</sup> by Dave Mercer.  
Motion passed.

\*\*Johnny made a motion to approve the minutes, with one correction to the word "go" out of in Executive session and correction to Mildred Wilson estate the checking is \$331.05, another correction is adding the guest to the attendance as Other guests attending is Danny Barth, so It doesn't look like he is a part of council., 2<sup>nd</sup> by Dave Mercer.

Speakers register: No one on the Speaker register

Financial Report-read by Dave Mercer.

\*Johnny made a motion to accept the financial report, 2<sup>nd</sup> by Jim. Motion passed.

Mayor Report-Mayor reported that he was in contact with Roger Curry. He will accept our proposal. Also, Mayor Arley reported that He talked to Mr. Rodriguez about parking during ball games at the Middle School, so Emergency vehicles can get through the roadway, The Town recommends putting up no parking signs on Jesses Run Rd and the citizens will be fined. The School doesn't have extra funding for gravel. The Town can't afford any gravel either. Johnny asks the Mayor if we needed 3 NO Parking signs.

Committee reports:

FINANCIAL REPORT-Dave Mercer reported that we already discussed the Finances during the Financial Report. Also, reported that we are tabling the Water Project Bond Ordinance, until March 5, 2012.

POLICE REPORT-Ted reported that he purchased the light for the Flag Pole.

GROUND REPORT-Ted reported that Terry Wrubleski may resign in June 2012. Ted recommends that the Town will need to use Dave Santee as much as possible.

POLICE REPORT- Jim reported on Trip wanting a week's vacation from after his start date, that first year he was here. Jim recommends that Trip just take off the 5 days vacation and don't pay him; just take off the 5 days.

- Jim made a motion to go Anniversary date to the Anniversary date, February 2009 to February 2010. Officer Triplett puts in a request for vacation time for 1 year employment from the anniversary date on Feb. 2009 to Feb. 2010, 5 days vacations. The vacation days must be taken by June 30, 2012 or he will lose them just take the days off without extra pay, 2<sup>nd</sup> by Dave Mercer. Motion passed

STREET REPORT- Johnny reported that there isn't much going on. Johnny recommends that Chris come out early on the Streets to cinder, because Johnny is getting a lot of calls at home.

\*\*Much discussion on Johnny doing the cinder the Streets. Much Discussion on loading the cinders in the street truck ahead of time. Johnny asks for Chris to grease the bearing on the shaft, and oil the machine or cinder spreader. Ted said he would tell him.

WATER REPORT- Ted reported that Dave Santee did pass his Class 1 water test, when Dave can do the work and is certified. But after he gets 2000 hours once, he is qualified and then we will pay him a raise \$1.00 an hour.

Chris said he didn't have any pressing problems at the time.

Unfinished Business: No unfinished business

New Business:

- A. Water Project Bond Ordinance-tabled to the Meeting on March 5, 2012.
- B. Homeland Security Ordinance- Ordinance go into effect June 19,2012 renewed  
\*Ted made a motion to accept the Ordinance, 2<sup>nd</sup> by Johnny. Motion passed
- C. Parking at the Bit Shop-The new business wants parking; Mayor and Council doesn't want abandoned vehicles, and junk cars there. The Employees want to park, employees only, no Junk vehicles, and make sure access for Eric Efaw to get into his residence and property.

Executive sessions: Personnel- remove the Executive Session

Meeting Adjourned!



Arley L. Simmons, Mayor



Heather Tuttle, Recorder

3/12/12 at 15:39:41.43

Page: 1 of 1

**Town of Fairview - General fund**  
**Check Register**  
**For the Period From Mar 1, 2012 to Mar 31, 2012**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
5883	3/1/12	WV Board of Risk &	101	602.50
5884	3/1/12	Sprint	101	12.28
5892	3/1/12	Lisa Roupe	101	30.00
5886	3/1/12	Heather Tuttle	101	150.00
5887	3/1/12	Earnest C. Triplett	101	841.46
5888	3/1/12	Johnny Knotts	101	18.12
5889	3/2/12	Dominion Hope	101	207.00
5890	3/2/12	WV Public Retirement	101	50.00
5891	3/5/12	TERRY WRUBLESKI	101	117.50
5893	3/5/12	Heather Tuttle	101	418.43
5894	3/7/12	Johnny Knotts	101	34.75
<b>Total</b>				<u><u>2,482.04</u></u>

Balance \$ 44,470.97

Mildred Wilson \$ 3,045.71

CD I - \$ 13,625.10

CD II - \$ 5,950.28

Coal Severance \$ 3,045.71

3/12/12 at 13:03:37.94

**Town of Fairview - Water Fund**  
**Check Register**  
**For the Period From Mar 1, 2012 to Mar 31, 2012**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4627	3/1/12	Board of Risk & Insur	131	602.50
4628	3/2/12	PEIA Insurance	131	809.00
4629	3/2/12	Retiree Health Benefi	131	167.00
4630	3/5/12	Lisa M. Roupe	131	307.02
4631	3/5/12	David W. Santee	131	597.66
4632	3/5/12	Christopher J. Scritch	131	<u>1,078.82</u>
<b>Total</b>				<u><u>3,562.00</u></u>

*Balance \$12,767.68*

March 12, 2012

Mayor Arley L. Simmons called the meeting to order with a moment of silence, followed by the Pledge of Allegiance. Present with the Mayor were Council: Ted Tuttle, Johnny Knotts, and Jim Ammons, David Tuttle, Dave Mercer, Recorder Heather Tuttle and other guests in attendance: Ross Sine, Jim Hall with Region VI, Kenny Moore, Gary Moore, Delbert Bailey, Kathy Ice, Mike Bragg, Kevin Wilson, Crystal Wilson, Rick Ice, Tom Aman, Tim Darrah, Kay Acuff, Rose Fluharty, Sue & Jerry Fluharty, Judy & Donald Pethel, Larry & Brenda Kuhn, Shirley Moore, Cathy Haight, Crystal & Pat Retton.

\*\*Ted made a motion to adopt the agenda and the minutes as written, 2<sup>nd</sup> by Dave Mercer. Motion passed.

Speakers register: Mike Bragg was on the Speakers register. He addressed Mayor and Council regarding a complaint he filed in the City Hall regarding a traffic stop. His complaint is against Chief Triplett and his courtesy and professional attitude during his traffic stop. Mr. Bragg feels Chief Triplett was unprofessional and rude and wants an apology. He said he would pay the ticket. Mayor and Council will look into this matter.

Financial Report-read by Dave Mercer.

\*Johnny made a motion to accept the financial report, 2<sup>nd</sup> by Jim. Motion passed.

Mayor Report-No Mayor Report

Committee reports:

FINANCIAL REPORT-Dave Mercer reported the Water fund still had a lot of bills that need to be paid.

POLICE REPORT-Jim reported that he would look over the complaint from Mr. Mike Bragg and talk to the chief and then address the complaint with a written response back to the complaint.

GROUND REPORT-No report

Water Report- Ted reported that the Water Plant had its annual inspection.

STREET REPORT- Johnny reported that he and Terry are working to get the cinders cleaned off the streets. Johnny has been in contact with Stickley's paving and they will be here as soon as they can.

Unfinished Business: No unfinished business

New Business:

A. Region VI draw downs

- Ted made a motion to approve the Region VI Draw Downs, 2<sup>nd</sup> by Jim. Motion passed

B. 2<sup>nd</sup> Reading Flood Plan Ordinance-

\*David Tuttle made a motion to accept the 2<sup>nd</sup> reading of Flood Plan Ordinance, 2<sup>nd</sup> by Johnny. Motion passed

C. 2<sup>nd</sup> Reading on Bond Ordinance-

\*Ted made a motion to accept the 2<sup>nd</sup> Reading on Bond Ordinance, 2<sup>nd</sup> by David Tuttle. Motion passed.

Meeting Adjourned!

---

Arley L. Simmons, Mayor

A handwritten signature in cursive script that reads "Heather Tuttle Recorder". The signature is written in black ink and is positioned above a horizontal line.

Heather Tuttle, Recorder

4/9/12 at 18:46:18.85

**Town of Fairview - Water Fund  
Check Register  
For the Period From Apr 1, 2012 to Apr 30, 2012**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4655	4/2/12	Lisa M. Roupe	131	390.71
4656	4/2/12	David W. Santee	131	597.66
4657	4/2/12	Christopher J. Scritch	131	1,093.85
4658	4/6/12	Allegheny Power	131	954.97
4659	4/6/12	Dominion Hope	131	147.00
4660	4/6/12	PEIA Insurance	131	809.00
4661	4/6/12	Retiree Health Benefi	131	167.00
4662	4/6/12	Monumental Public S	131	26.93
4663	4/6/12	WV Dept. of Health &	131	40.00
4664	4/6/12	C.I. Thornburg Co.IN	131	362.29
<b>Total</b>				<u><u>4,589.41</u></u>

Water fund balance \$9,478.99

4/9/12 at 18:43:34.18

Page: 1 of 1

**Town of Fairview - General fund**  
**Check Register**  
**For the Period From Apr 1, 2012 to Apr 30, 2012**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
5940	4/1/12	Earnest C. Triplett	101	841.46
5941	4/2/12	Lisa Roupe	101	30.00
5942	4/2/12	Heather Tuttle	101	150.00
5943	4/2/12	Heather Tuttle	101	320.88
5944	4/2/12	TERRY WRUBLESKI	101	358.00
5945	4/6/12	Postmaster	101	45.00
5946	4/6/12	Johnny Knotts	101	87.00
5947	4/6/12	Allegheny Power	101	106.86
5948	4/6/12	Frontier	101	269.97
5949	4/6/12	U.S. Cellular	101	168.68
<b>Total</b>				<u><u>2,377.85</u></u>

General Fund Ending Balance  
 \$ 38,200.20

Mildred Wilson Estate \$ 341.48 checking  
 Mildred Wilson Estate CD 13,625.10  
5,952.28

April 9, 2012

Mayor Arley L. Simmons called the meeting to order with a moment of silence, followed by the Pledge of Allegiance. Present with the Mayor were Council: Ted Tuttle, Johnny Knotts, and Jim Ammons, David Tuttle, Recorder Heather Tuttle and other guests in attendance: Jim Hall with Region VI, Kenny Moore, Gary Moore, , Kathy Ice, Rick Ice, Tom Aman, Tim Darrah, Kay Acuff, Rose Fluharty, Sue & Jerry Fluharty, Donald Pethel, Larry & Brenda Kuhn, Shirley Moore, Mark Hayes, Michael Aloj, Budd Sapp, and Joesph Manchin III.

\*\*Ted made a motion to adopt the agenda, 2<sup>nd</sup> by Jim. Motion passed

\*\* David Tuttle made a motion to adopt the minutes, 2<sup>nd</sup> by Jim. Motion passed

Speakers register: Mark Hayes spoke to the Council and Mayor.

Mark Hayes running for Marion County Magistrate. He was an officer for several years and the Marion Drug task force.

Michael Aloj spoke to the Council and Mayor. He is running for Judge in Marion County.

Michael Aloj is a graduate of Fairview High School. Judge Aloj is temporary appointed for 8 months as Marion County judge. His Motto is: Treat every equal and like you would want to be treated.

Budd Sapp-Running for Marion County Commission/professor at FSU.

Currently was on the Board of Education. Taught at North Marion and coached.

Joseph Manchin III- running for Marion County Commission. Active member of leadership, Marion Parks and run a small business. His father is Senator Joe Manchin.

\*\*Public Hearing and 3<sup>rd</sup> reading on proposed bond Ordinance for the Water Extension project (Water Revenue Bonds, series 2012A). The purpose of the hearing is to issue the bonds for the project 1.1 million that the Town of Fairview. Small City Block Grant, total cost for the Water Extension project is 4.6 million dollars. Things that will need to be done are the Title, and closing date. Mayor and clerk to sign the documentation.

\*\* No questions close the public hearing.

- Jim made a motion to accept the 3<sup>rd</sup> and Final reading of the bond Ordinance, 2<sup>nd</sup> by David Tuttle. Motion passed.

Financial Report-read by Mayor Arley L Simmons.

\*David Tuttle made a motion to accept the financial report, 2<sup>nd</sup> by Johnny. Motion passed.

Mayor Report-No Mayor Report

Committee reports:

FINANCIAL REPORT- Ted reported that he would like to have a work session for the Budget.

POLICE REPORT-No report

GROUND REPORT-No report

Water Report- Ted reported that the Water dept. is having trouble with the Chlorinator and we had to change the type of chlorine we are using. The Water dept. is changing to liquid chlorine. The Computer software for the Water Department (UBPRO) needs upgraded and the cost is \$890.00.

\*Jim made a motion to purchase the Water software upgrade UBpro, 2<sup>nd</sup> by David Tuttle, motion passed  
\* Water dept funding is coming up a little and we need to replace the money we spent out of the Special and Reserve account. Ted and his Committee will look into the Water Dept. Finances and bring a report back to Council and Mayor.

STREET REPORT- Johnny reported that he talked to Stickle's paving Co., and they will start paving this week or next week. Starting on Blaker Street, post office, in front Town Hall, and Summers Lane, Library entrance and other small holes.

Unfinished Business: No unfinished business

New Business:

A. Coal Severance Budget Revision

\*Ted made a motion to accept the Coal Severance budget Revision, to be used to pave in front of the Town Hall to put into streets account 750, 2<sup>nd</sup> by Jim. Motion passed

B. Town /Community wide Yard Sale- Saturday, June 9<sup>th</sup> Town Hall yard sale with a Rain date set June 16<sup>th</sup>, 2012.

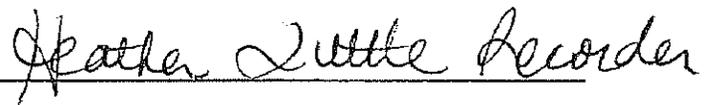
B. Region VI draw downs- Draw downs for Council to approve from Small Cities Block Grant \$7431.10 right away property Marion county court\$ 3,000.00 reimburse for the Price Property, \$6,335.00 WV Dept. highways. Region VI \$135.00 reimburse for the Times WV.

- Ted made a motion to approve the Region VI Draw Downs, 2<sup>nd</sup> by Johnny. Motion passed.

Meeting Adjourned!

---

Arley L. Simmons, Mayor



Heather Tuttle, Recorder

5/14/12 at 16:55:21.06

Page: 1 of 1

**Town of Fairview - General fund**  
**Check Register**  
**For the Period From May 1, 2012 to May 31, 2012**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
5973	5/1/12	Earnest C. Triplett	101	841.46
5975	5/2/12	Heather Tuttle	101	150.00
5976	5/2/12	Lisa Roupe	101	30.00
5977	5/4/12	Johnny Knotts	101	145.00
5978	5/10/12	Johnny Knotts	101	40.00
5979	5/10/12	Mannington Home C	101	25.14
5981	5/10/12	WV Municipal Leagu	101	50.00
5982	5/10/12	Mannington Home C	101	74.28
5983	5/10/12	Alasky's	101	189.95
5984	5/10/12	Earnest C. Triplett	101	841.46
5985	5/11/12	GALLS INCORPORA	101	113.95
5986	5/11/12	Times West Virginian	101	624.21
5987	5/11/12	Greater Paw Paw Sa	101	20.88
5988	5/11/12	Johnny Knotts	101	68.88
5989	5/11/12	Allegheny Power	101	112.35
5990	5/11/12	West Virginia Paging	101	15.75
5991	5/11/12	C W Stickley Inc.	101	22,600.00
5992	5/11/12	C W Stickley Inc.	101	139.00
5994	5/14/12	WV Public Retirement	101	383.12
5995	5/14/12	WV Dept. of Tax & R	101	92.00
<b>Total</b>				<u><u>26,557.43</u></u>

General Fund Ending Balance \$ 22,295.26

Mildred Wilson Estate Fund \$ 341.48  
 Mildred Wilson CD's 13,952.28  
 5,993.04

5/14/12 at 17:07:02.15

**Town of Fairview - Water Fund**  
**Check Register**  
**For the Period From May 1, 2012 to May 31, 2012**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4681	5/1/12	David W. Santee	131	603.08
4682	5/1/12	Christopher J. Scritch	131	1,082.96
4683	5/1/12	Postmaster	131	104.40
4684	5/10/12	Allegheny Power	131	1,070.54
4685	5/11/12	Dominion Hope	131	147.00
4686	5/11/12	Greater Paw Paw Sa	131	254.20
4687	5/11/12	Monumental Public S	131	254.20
4688	5/11/12	Greater Paw Paw Sa	131	795.53
4689	5/11/12	C.I. Thornburg Co.IN	131	288.00
4691	5/14/12	Lisa M. Roupe	131	395.66
5993	5/14/12	Heather Tuttle	131	357.74
4690	5/14/12	WV Public Retirement	131	881.15
4692	5/14/12	WV Dept. of Tax & R	131	192.00
<b>Total</b>				<u><u>6,426.46</u></u>

Payroll taxes - 1248.95

Water fund balance  
\$ 10,235.62

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF RULES OF  
PROCEDURE, SUPPLEMENTAL RESOLUTIONS, DRAW  
RESOLUTION AND SWEEP RESOLUTION

The undersigned Recorder of the Town of Fairview (the "Town") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the Town.

\* \* \*

\* \* \*

\* \* \*

The Council of the Town met in regular session, pursuant to notice duly given, on the 14th day of May, 2012, in Fairview, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Arley Simmons	- Mayor
	Heather Tuttle	- Recorder
	Holly Robinette-Morris	- Councilmember
	Jim Ammons	- Councilmember
	David Tuttle	- Councilmember
	David Mercer	- Councilmember
	Johnny Knotts	- Councilmember
	Tom Aman	- Steptoe & Johnson

ABSENT:

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 presented proposed Rules of Procedure for adoption. Thereupon, on motion duly made by Ted Tuttle and seconded by Johnny Knotts, it was unanimously ordered that the said Rules of Procedure be adopted.

Next, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO  
PRINCIPAL AMOUNT, DATE, MATURITY DATE,  
REDEMPTION PROVISION, INTEREST RATE, INTEREST  
AND PRINCIPAL PAYMENT DATES, SALE PRICE AND  
OTHER TERMS OF THE WATER REVENUE BONDS,  
SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE  
FUND), OF THE TOWN OF FAIRVIEW; RATIFYING AND

APPROVING A 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; APPROVING A BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion.

Thereupon, on motion duly made by Ted Tuttle and was seconded by Johnny Knotts, it was unanimously ordered that the above-entitled Supplemental Resolution be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Johnny Knotts and seconded by Dave Mercer, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Dave Mercer and was seconded by Jim Ammons, it was unanimously ordered that the said Sweep Resolution be adopted.

\* \* \*

\* \* \*

\* \* \*

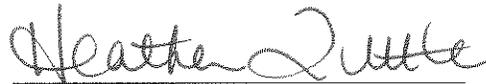
There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the Town of Fairview 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 24th day of May, 2012.

A handwritten signature in cursive script, reading "Heather Zutte". The signature is written in black ink and is positioned above a horizontal line.

Recorder

05.03.12  
271720.00001

**AFFIDAVIT OF PUBLICATION**

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 news-  
paper:

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.

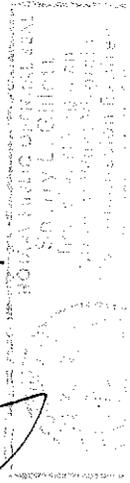
that the annexed notice of Public Hearing was duly published in said  
newspaper once week for 2 successive weeks (Class I), commencing with  
the issue of the 26 day of March, 2012, and ending with the issue of the 2  
day of April, 2012, and was posted at the front door of the Marion County Courthouse on  
the 26 day of March, 2012; that said annexed notice was  
published on the following dates: March 26 April 2, 2012

and the cost of publishing said annexed notice as aforesaid was \$ 302.20  
Beverly A. Miller

Taken, subscribed and sworn to before me in said county this 5 day of April, 2012

My commission expires Jan 24, 2020

Sherry D. Elliott  
Notary Public of Marion County, West Virginia



**Legals**

**PROVIDING FOR THE  
TERMS AND  
PROVISIONS OF SUCH  
BONDS AND  
ADOPTING OTHER  
PROVISIONS  
RELATING THERETO.**

The above-quoted 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 (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable from the revenues derived from the System. 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 Fairview on March 12, 2012. A certified copy of the above entitled 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.

Heather Tuttle  
Recorder

TIMES: MARCH 26,  
APRIL 2, 2012

**NOTICE OF PUBLIC  
HEARING ON THE  
TOWN OF FAIRVIEW  
BOND ORDINANCE**

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the Town of Fairview (the "Town") to be held on Monday, April 9, 2012, at 7:00 p.m. at the Town Hall, 407 Main Street, Fairview, 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:

**TOWN OF FAIRVIEW  
ORDINANCE  
AUTHORIZING THE  
ACQUISITION AND  
CONSTRUCTION OF  
CERTAIN  
EXTENSIONS,  
ADDITIONS,  
BETTERMENTS AND  
IMPROVEMENTS TO  
THE EXISTING PUBLIC  
WATERWORKS  
FACILITIES OF THE  
TOWN OF FAIRVIEW  
AND THE FINANCING  
OF THE COST  
THEREOF, NOT  
OTHERWISE**

**PROVIDED, THROUGH  
THE ISSUANCE BY THE  
TOWN OF NOT MORE  
THAN \$1,100,000 IN  
ORIGINAL  
AGGREGATE  
PRINCIPAL AMOUNT OF  
WATER REVENUE  
BONDS, SERIES 2012  
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**

**WV MUNICIPAL BOND COMMISSION**

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

**NEW ISSUE REPORT FORM**

Date of Report: 5/24/2012

ISSUE: <u>Town of Fairview</u> <u>Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund)</u>	
ADDRESS: <u>P.O. Box 119, Fairview, West Virginia 26570</u>	COUNTY: <u>Marion</u>
PURPOSE OF ISSUE: New Money: <u>  x  </u> Refunding: <u>      </u>	
REFUNDS ISSUE(S) DATED: <u>  NA  </u>	
ISSUE DATE: <u>5/24/2012</u>	CLOSING DATE: <u>5/24/2012</u>
ISSUE AMOUNT: <u>\$1,100,000.00</u>	RATE: <u>  0%  </u>
1ST DEBT SERVICE DUE: <u>3/1/2014</u>	1ST PRINCIPAL DUE <u>3/1/2014</u>
1ST DEBT SERVICE AMOUNT <u>\$7,190.00</u>	PAYING AGENT: <u>Municipal Bond Commission</u>
BOND COUNSEL: Firm: <u>Step toe &amp; Johnson PLLC</u> Contact <u>John Stump, Esquire</u> Phone: <u>(304) 353.8196</u>	
UNDERWRITERS COUNSEL Firm: <u>Jackson Kelly, PLLC</u> Contact: <u>Samme Gee, Esquire</u> Phone: <u>(304) 340-1318</u>	
CLOSING BANK: Bank: <u>First Exchange Bank</u> Contact: <u>Stacey Adams</u> Phone: <u>304.986.1700</u>	
ESCROW TRUSTEE: Firm: _____ Contact: _____ Phone: _____	
KNOWLEDGEABLE ISSUER CONTACT Contact: <u>Doug White</u> Position: <u>Mayor</u> Phone: <u>304.449.1642</u>	
OTHER: Agency: <u>West Virginia Infrastructure &amp; Jobs Development Council</u> Contact: <u>Jim Ellars</u> Position: <u>Director</u> Phone: <u>(304) 558-4607</u>	
DEPOSITS TO MBC AT CLOSE By: <u>  x  </u> Wire _____ <u>      </u> Check _____ Accrued Interest: \$ _____ Capitalized Interest: \$ _____ <u>  x  </u> Reserve Account: \$ <u>28,760</u> Other: \$ _____	
REFUNDS & TRANSFERS BY MBC AT CLOSE By: <u>      </u> Wire _____ <u>      </u> Check _____ <u>      </u> IGT _____ To Escrow Trustee \$ _____ To Issuer \$ _____ To Cons. Invest. Fund \$ _____ To Other: _____ \$ _____	
NOTES: <u>Series 2012 A Bonds Reserve Account will be funded with bond proceeds.</u> _____ _____	
FOR MUNICIPAL BOND COMMISSION USE ONLY: DOCUMENTS REQUIRED: _____ TRANSFERS REQUIRED: _____ _____	

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

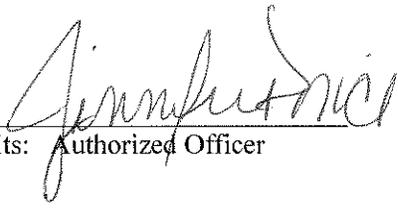
ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Exchange Bank, Mannington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the Town of Fairview (the "Issuer") enacted by the Issuer on April 9, 2012, and a Supplemental Resolution adopted by the Issuer on May 14, 2012 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated May 24, 2012, in the aggregate principal amount of \$1,100,000 (the "Series 2012 A Bonds"), and agrees to serve as Depository Bank in connection with the Series 2012 A Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 24th day of May, 2012.

FIRST EXCHANGE BANK

By:

  
Its: Authorized Officer

05.02.12  
271720.00001

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 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 Fairview Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated May 24, 2012, in the principal amount of \$1,100,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 24th day of May, 2012.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

05.03.12  
271720.00001

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 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 bond issue of the Town of Fairview (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Town of Fairview Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, dated May 24, 2012, in the principal amount of \$1,100,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 24th day of May, 2012.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

05.03.12  
271720.00001

TOWN OF FAIRVIEW

Water Revenue Bonds, Series 2012 A  
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of May, 2012, by and between the TOWN OF FAIRVIEW, 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 \$1,100,000 principal amount of Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted April 9, 2012, and a Supplemental Resolution of the Issuer duly adopted May 14, 2012 (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 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 Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver 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 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 Fairview  
P.O. Box 119  
Fairview, West Virginia 26570  
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 Bonds in accordance with the Bond Legislation.

9. 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.

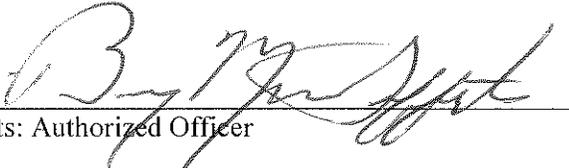
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IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

TOWN OF FAIRVIEW

By:   
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

05.03.12  
271720.00001

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION



STATEMENT OF REGISTRAR'S FEES  
Invoice Date May 24, 2012

**Town of Fairview**  
**Account Number 6089001809**

Town of Fairview  
Water Revenue Bonds, Series 2012 A  
c/o Katy Mallory  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

\*\*\*\*\*  
FEE CALCULATION FOR May, 2012  
\*\*\*\*\*

TOTAL AMOUNT \$ 500.00  
  
TOTAL DUE \$ 500.00

**MAIL CHECK TO:**  
**THE HUNTINGTON NATIONAL BANK**  
**ATTN: BARRY GRIFFITH – WE3013**  
**PO BOX 633**  
**CHARLESTON, WV 25322-0633**

**PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT**

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
Barry Morgan Griffith at (304) 348-5035

# ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY)

**PRODUCER**

Serial # A14731  
 WV BOARD OF RISK & INSURANCE MGT.  
 90 MACCORKLE AVE. SW, SUITE 203  
 SOUTH CHARLESTON, WV 25303

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**

**INSURED**

TOWN OF FAIRVIEW  
 PO BOX 119  
 FAIRVIEW, WV 26570

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA  
 INSURER B:  
 INSURER C:  
 INSURER D:  
 INSURER E:

**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	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> WRONGFUL ACT <input checked="" type="checkbox"/> PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY    PRO-JECT    LOC		07/01/2011	07/01/2012	EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 100,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ INCLUDED GENERAL AGGREGATE \$ NONE PRODUCTS - COMP/OP AGG \$ NONE
A	<b>AUTOMOBILE LIABILITY</b> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-COMMERCIAL AUTOS		07/01/2011	07/01/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC AGG \$
	<b>EXCESS LIABILITY</b> OCCUR                      CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> STOPGAP		07/01/2011	07/01/2012	WC STATUTORY LIMITS    OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE. IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

**CERTIFICATE HOLDER**

ADDITIONAL INSURED; INSURER LETTER:

**CANCELLATION**

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY  
 180 ASSOCIATION DR  
 CHARLESTON, WV 25301

IF SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 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

*Jerry W. Gladwell*

© ACORD CORPORATION 1988

# State of West Virginia

## OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313

CHARLESTON, WV 25301-3713

Telephone (304) 558-2981

### PERMIT

(Water)

**PROJECT:** Fairview Road & Route 218 Water Line Extensions

**PERMIT NO.:** 18,669

**LOCATION:** near Fairview

**COUNTY:** Marion/Monongalia

**DATE:** 9/22/2010

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Town of Fairview  
407 Main Street  
Fairview, West Virginia 26570**

is hereby granted approval to: install approximately 1,000 LF of 2", 26,100 LF of 4" and 61,096 LF of 6" water line; one (1) 65 GPM duplex water booster station with booster chlorination; one (1) 6 GPM duplex hydro-pneumatic water booster station with a 185 gallon bladder tank; one (1) 100,000 gallon water storage tank; telemetry for tank and booster stations; and all necessary valves, controls and appurtenances.

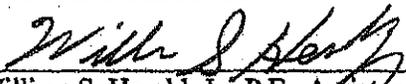
Facilities are to serve approximately 142 customers in the Fairview Road Area and the Route 218 Areas in Marion and Monongalia Counties.

**Note: This project is contingent upon: 1) All new water line and the new water storage tank being disinfected flushed and bacteriologically tested, prior to use; and 2) Enclosing the new water storage tank with a minimum six (6) feet high fence with a locking gate.**

The Environmental Engineering Division of the OEHS-Philippi 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.

FOR THE DIRECTOR

  
William S. Herold, Jr., P.E., Assistant Manager  
Infrastructure and Capacity Development  
Environmental Engineering Division

WSH:plk

pc: Woolpert, Inc  
Ingrid Ferrell, PSC  
Amy Swann, PSC  
Marion County Health Department  
OEHS-EED Philippi District Office

# State of West Virginia

## OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313

Telephone (304) 558-2981

CHARLESTON, WV 25301-3713

### PERMIT

(Well)  
PROJECT: New Well

PERMIT NO.: 18,670

LOCATION: Fairview

COUNTY: Marion

DATE: 9-22-2010

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Town of Fairview  
407 Main Street  
Fairview, West Virginia 26570**

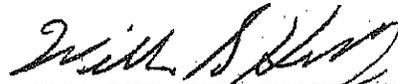
is hereby granted approval to: install one (1) public water system well. Well construction is to be performed by a WV Certified Water Well Contractor. The well is to be constructed according to the WV Bureau for Public Health's "Design Standards for Public Water Supply Systems," with particular attention to Section 5.3.e.9., Grouting Requirements. The well shall be tested for chemical, radiological and microbiological contaminants, as required by the WV Bureau for Public Health's "Public Water Systems" regulations.

Facilities are to serve the Town of Fairview water system.

**NOTE:** It is the well owner's responsibility that the well log, all yield & drawdown test results and contaminate results are submitted to the Wellhead Protection Program, Environmental Engineering Division, WV Bureau for Public Health, 350 Capitol Street, Room 313, Charleston, WV 25301-3713, within 30 calendar days after the well is drilled.

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.

FOR THE DIRECTOR

  
\_\_\_\_\_  
William S. Herold, Jr., P.E., Assistant Manager  
Infrastructure and Capacity Development  
Environmental Engineering Division

WSH:plk

pc: Woolpert, Inc  
Brian A. Carr, DEP  
Ingrid Ferrell, Engineering Division, PSC  
Amy Swann, PSC  
Marion County Health Department  
OEHS-EED Philippi District Office  
Source Water Protection Unit



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

Writer's Contact Information

## CLOSING MEMORANDUM

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** May 24, 2012  
**Re:** Town of Fairview, Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund)

---

### 1. DISBURSEMENTS TO TOWN OF FAIRVIEW

Payor: West Virginia Infrastructure and Jobs Development Council  
Source: Series 2012 A Bonds Proceeds  
Amount: \$40,229.54  
Form: Wire  
Payee: Town of Fairview, 407 Main Street, Fairview, WV 26570  
ABA No: 051501354  
Account No: 3002837  
Bank: First Exchange Bank, 11 West Main Street, Mannington, WV 26582  
Contact: Stacey Adams 304.986.1700  
Account: Series 2012 A Bonds Project Fund

### 2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

Payor: West Virginia Infrastructure Fund  
Source: Series 2012 A Bonds Proceeds  
Amount: \$28,760  
Form: Wire Transfer  
Payee: Town of Fairview, 407 Main Street, Fairview, WV 26570  
Bank: Municipal Bond Commission  
Bank: BB&T for benefit of Municipal Bond Commission  
Contact: Sara Boardman, 304.558.3971  
Acct. No.: 5270517317  
ABA: 051503394  
Account: Fund Series 2012 A Bonds Reserve Account

271720.00001

5618677

Draw #1

2008W-1047

TOWN OF FAIRVIEW

RESOLUTION OF THE TOWN OF FAIRVIEW APPROVING INVOICES RELATING TO ACQUISITION AND CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED WATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Town of Fairview has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the water project funded by an IJDC Grant, County Grants, Consol, SCBG Grant, WV BPH Grant and an Infrastructure & Jobs Development Council loan (IJDC) and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

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

Vendor	IJDC Loan	IJDC Grant	Mon/ Marion Co Grants	Consol	SCBG	Total
Huntington Bank (Registrar)	500.00	0.00	0.00	0.00	0.00	500.00
Step toe & Johnson (Bond Counsel)	18,500.00	0.00	0.00	0.00	0.00	18,500.00
Tharp, Liotta & Yokum	21,229.54	0.00	0.00	0.00	0.00	21,229.54
Municipal Bond Commission (Reserve)	28,760.00	0.00	0.00	0.00	0.00	28,760.00
Bennett & Dobbins	0.00	0.00	0.00	0.00	0.00	0.00
Administrative	0.00	0.00	0.00	0.00	0.00	0.00
Total	68,989.54	0.00	0.00	0.00	0.00	68,989.54

ADOPTED BY the Town of Fairview, at the meeting held on the 14th day of May, 2012.

By: 

Its: Mayor

## SWEEP RESOLUTION

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

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

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

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

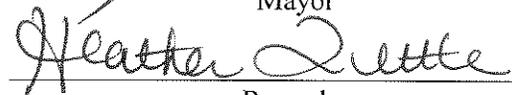
**WHEREAS**, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

### **NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

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

Adopted this 14th day of May, 2012.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Recorder

**GRANT AGREEMENT**  
(2008W-1047)

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

**RECITALS**

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$1,100,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

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

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

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

**TERMS**

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

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

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

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

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

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

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

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

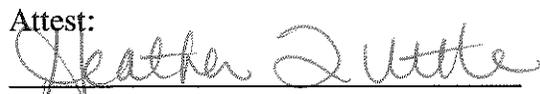
9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

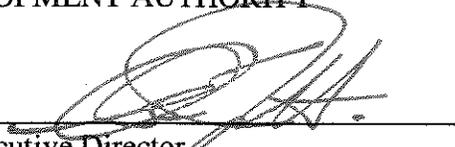
TOWN OF FAIRVIEW

By:   
Its: Mayor  
Date: May 24, 2012

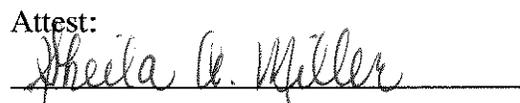
(SEAL)

Attest:  
  
Its: Recorder

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

By:   
Its: Executive Director  
Date: May 24, 2012

(SEAL)

Attest:  
  
Its: Authorized Officer

## **Exhibit A**

### **Project Description**

The Project consists of the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks facilities of the Governmental Agency, and all related appurtenances.

Number of New Users: 140

Location: Fairview Road and Route 218 areas

[TO BE PLACED ON LETTERHEAD]

**Exhibit B**

**Wiring Instructions**

---

**Town of Fairview  
407 Main Street  
Fairview, WV 26570**

**Payor:** West Virginia Water Development Authority  
**Source:** Grant Proceeds  
**Amount:** \$ \_\_\_\_\_  
**Date:** \_\_\_\_\_  
**Form:** Electronic Funds Transfer  
**Payee:** Town of Fairview  
407 Main Street, Fairview, WV 26570  
**Contact Name:** \_\_\_\_\_  
**Telephone:** (304) \_\_\_\_\_  
**Bank Name:** First Exchange Bank  
**Bank Street Address:** 11 West Main Street, Mannington, WV 26582  
**Bank Contact:** Stacey Adams  
**Telephone:** (304) 986-1700  
**ABA No.:** 051501354  
**Account No.:** 3002837  
**Account Name:** Series 2012 A Bonds Project Fund



*State of West Virginia*  
*Joe Manchin III*  
*Governor*

Office of the Governor  
State Capitol  
1900 Kanawha Boulevard, East  
Charleston, WV 25305

Telephone: (304) 558-2000  
Toll Free: 1-888-438-2731  
FAX: (304) 342-7025  
[www.wv.gov.org](http://www.wv.gov.org)

October 13, 2009

The Honorable Douglas White  
Mayor  
Town of Fairview  
Post Office Box 119  
Fairview, WV 26570

Dear Mayor White:

Thank you for your application to the Small Cities Block Grant Program to provide water service to 142 new customers in the Fairview Road and State Route 218 areas in Monongalia and Marion Counties.

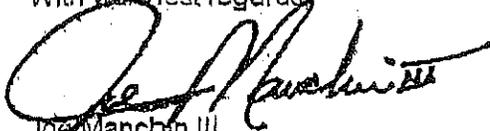
Your request has been approved in the amount of \$200,000 for a Design and Administration Grant. These funds will enable you to complete the engineering design and required administrative services for the Town of Fairview's above-referenced project.

In order to effectively utilize the limited dollars available, the West Virginia Development Office launched a program to assist communities with the engineering and administrative components of selected projects. This grant does not secure funding for the balance of the request in your application. The designed project must be resubmitted and will be competitively reviewed and considered for funding based on an amended application, availability of funds, and other requests pending at that time. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule.

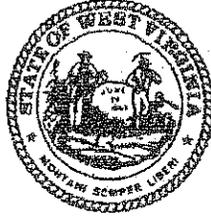
Please contact Mr. Tom Biggs of the West Virginia Development Office, at (304) 558-2234, extension 52028, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with this project for the citizens of Monongalia and Marion Counties.

With warmest regards,

  
Joe Manchin III  
Governor

.....



*State of West Virginia*  
*Joe Manchin III*  
*Governor*

Office of the Governor  
State Capitol  
1900 Kanawha Boulevard, East  
Charleston, WV 25305

Telephone: (304) 558-2000  
Toll Free: 1-888-438-2731  
FAX: (304) 342-7025  
[www.wv.gov](http://www.wv.gov)

October 26, 2010

The Honorable Douglas White  
Mayor  
Town of Fairview  
Post Office Box 119  
Fairview, West Virginia 26570

Dear Mayor White:

Thank you for your application to the Small Cities Block Grant Program to extend water service to 130 households in the Fairview Road and State Route 218 areas in Monongalia and Marion counties. Your request has been approved in the amount of \$1,300,000.

In order to effectively use the limited dollars available, I hereby commit \$300,000 from our fiscal year 2010 allocation that will immediately be available to you. The remaining \$1,000,000 necessary to complete the project will be evaluated and committed in a future year's allocation, based on your ability to proceed forward with this project. I encourage you to expedite this project and reach its completion as quickly as possible. The West Virginia Development Office (WVDO) reserves the right to withdraw these funds if your project does not proceed on schedule as outlined in your application. It will be at the discretion of the WVDO whether or not to replace these funds with a letter of intent for consideration from future allocations. Please be advised that a letter of intent is contingent upon the availability of federal funds.

Please contact Ms. Jeanna Bailes of the WVDO, at (304) 558-2234, extension 52051, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with this project for the citizens of the Town of Fairview, Monongalia County, and Marion County.

With warmest regards,

A handwritten signature in black ink, appearing to read "Joe Manchin III".

Joe Manchin III  
Governor

JM:sm



To: File

RE: Town of Fairview Bureau for Public Health Design Grant

The Town of Fairview received a commitment for a \$200,000 grant from the department of Health and Human Resources and entered into a grant agreement on April 6, 2010.

By email dated April 6, 2012, the Bureau for Public Health confirmed that only \$175,252.80 was disbursed for qualified expenses.

Katy Mallory

BPH Grant

**From:** Rushworth, Kathleen A [Kathleen.A.Rushworth@wv.gov]  
**Sent:** Friday, April 06, 2012 12:39 PM  
**To:** Robert Decrease; Katy Mallory  
**Subject:** RE: Fairview-Schedule\_B\_Post\_Bid.XLS

disbursed

Katy –

BPH reimbursed Fairmont for \$175,252.80 for pre-construction planning and design costs associated with the project. The expenses that qualified for reimbursement by the BPH grant were less than \$200,000; the full amount of the grant was not used.

Please contact me or Bob if you have questions or need additional information.

Kathy Rushworth, P.E.  
Engineering Associate  
Infrastructure and Capacity Development  
WVDHHR/BPH/OEHS/EED  
350 Capitol Street, Room 313  
Charleston, WV 25301-3713  
**(304) 356-4329 Please make a note of my new phone number.**  
Fax: (304) 558-0691  
[Kathleen.A.Rushworth@wv.gov](mailto:Kathleen.A.Rushworth@wv.gov)

*Confidentiality Notice: This message, including any attachments, is for the sole use of the individual or entity named above. The message may contain confidential health and/or legally privileged information. If you are not the above-named recipient, you are hereby notified that any disclosure, copying, distribution, or action taken in reliance on the content of this message is strictly prohibited. If you have received this message in error, please notify the sender immediately and destroy all copies of the original message.*

---

**From:** Robert Decrease [mailto:rdecrease@yahoo.com]  
**Sent:** Monday, April 02, 2012 9:04 AM  
**To:** Rushworth, Kathleen A  
**Subject:** Fw: Fairview-Schedule\_B\_Post\_Bid.XLS

Kathy,

Would you please respond to Katy's question?

Thanks

---

**From:** DeCrease, Robert W <Robert.W.DeCrease@wv.gov>;  
**To:** <rdecrease@yahoo.com>;  
**Subject:** FW: Fairview-Schedule\_B\_Post\_Bid.XLS  
**Sent:** Fri, Mar 30, 2012 2:55:23 PM



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Division of General Accounting & Reporting

State Capitol Complex, Building 3, Room 426

Charleston, West Virginia 25305

Telephone: (304) 558-2861 Fax: (304) 558-6370

Joe Manchin III  
Governor

Patsy A. Hardy, FACHE, MSN, MB  
Cabinet Secretary

CASE NO. 11-0464-W-CN  
TOWN OF FAIRVIEW

RECEIVED  
11 SEP 14 PM 12:27  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

Dear Prospective Grantee:

Attached you will find a proposed grant agreement for your entity. Please review the document thoroughly. Should you have questions concerning this proposed grant agreement, please contact the appropriate person listed in Exhibit H.

If you agree to the terms and conditions of this grant agreement, please secure a **notarized** (by a certified notary public) **original signature** of a duly authorized officer of your organization on the space provided on the signature page. Also, secure an **original signature** (does not need to be a notarized signature) for your organization on **Exhibit L**. Please note that the grant agreement has not, as yet, been signed by an authorized official of the Department of Health and Human Resources. Accordingly, the grant agreement is not fully executed. You will receive a signed copy once the grant agreement has been completely executed.

Promptly return the **entire grant agreement and all exhibits** to:

West Virginia Department of Health and Human Resources  
Division of General Accounting & Reporting  
1900 Kanawha Blvd., East  
Building 3, Room 426  
Charleston, WV 25305

The signed Grant Agreement and all exhibits **MUST** be returned to the address listed above. Failure to return the grant to the above address will result in serious delay and the possible need to return a new original to you for signature a second time.



**WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
GRANT AGREEMENT**

1. Federal Sub-recipient Grant Agreement (128) 3. Agreement Number: G 100988

2. Other Grant Agreement 4. WVFIMS Encumbrance Number: \_\_\_\_\_

5. Grantee FEIN # 556000868      6. WVFIMS Vendor# 138816      7. Date Prepared March 1, 2010

8. Grantee Name and Address  Town of Fairview PO Drawer 119 Fairview, WV 26570	9. Spending Unit Name and Address Bureau for Public Health/Office of Environmental Health Services Capitol and Washington Streets 1 Davis Square, Suite 200 Charleston, WV 25301
--	--

10. Grantee Remittance Name and Address  Same	11. Spending Unit Contact Person Name and Telephone Number  Program: Walter Ivey (304) 558-6715 Fiscal: Merlynn Preston (304) 558-8243
---	---

12: Auditor's Information:		State Level		State Level		Amount
Fund	FY	Org	Act	Obj		
<u>5201</u>	<u>2010</u>	<u>0506</u>	<u>099</u>	<u>128</u>		<u>33,333.00</u>
<u>5201</u>	<u>2011</u>	<u>0506</u>	<u>099</u>	<u>128</u>		<u>166,667.00</u>
Total:						<u>\$200,000.00</u>

13. Start Date: May 1, 2010      14. End Date: April 30, 2011

15. Description of Program:  
 Development of design plans and specification for water line to extend service to unserved customers.

16. Spending Unit							
WVFIMS Coding		Extended		Extended		Project	Amount
Fund	FY	Org	Act	Obj	Grant		
<u>5201</u>	<u>2010</u>	<u>3044</u>	<u>-099</u>	<u>128</u>	<u>17779</u>		<u>33,333.00</u>
<u>5201</u>	<u>2011</u>	<u>3044</u>	<u>099</u>	<u>128</u>	<u>17779</u>		<u>166,667.00</u>
Total:							<u>\$200,000.00</u>

17. Review and Approval Recommended:

GAAR: DR      4/19/10      Grants: DRB      4/6/10  
 Initials      Date      Initials      Date

\$200,000

## Marion County Commission

RANDY J. ELLIOTT  
*Commissioner and President*

WAYNE A. STUTLER  
*Commissioner*

BURLEY "BUTCH" TENNANT, JR.  
*Commissioner*



*Address Correspondence to:*

200 JACKSON STREET • ROOM 403  
FAIRMONT, WEST VIRGINIA 26554  
(304) 367-5400  
FAX (304) 367-5431

Mayor Bruce Doug White  
City of Fairview  
P.O. Box 119  
Fairview, WV 26570

Dear Mayor White:

On Wednesday, June 1, 2011 at its regular meeting, the Marion County Commission voted to allocate up to \$5,000 per user based upon the record of people currently signed up to receive water from the new line. From the information available at this time, it appears that 40 homes are in Marion County. Based on those figures, we are willing to allocate up to  
→ \$200,000.00 for this project. This allocation is contingent upon the financial condition of the county when all other project funding is secured.

If the bids come in at a lower amount, we will pay on a percentage basis. For example, if the bid comes in 5% lower than estimates, we will lower our allocation by 5%.

We will need an invoice from you with the breakout of all costs and we anticipate this payment will be made to you in the first quarter of the upcoming fiscal year.

For the Commission,  
*B. A. Tennant Jr.*

Burley "Butch" Tennant  
President  
Marion County Commission

# Marion County Commission

**RANDY ELLIOTT**  
*Commissioner and President*

**WAYNE A. STUTLER**  
*Commissioner*

**BURLEY "BUTCH" TENNANT**  
*Commissioner*



*Address Correspondence to:*  
200 JACKSON STREET • ROOM 403  
FAIRMONT, WEST VIRGINIA 26554  
(304) 367-5400  
FAX (304) 367-5431

October 21, 2010

Town of Fairview  
PO Box 119  
Fairview WV 26570

RE: Fairview Water Line Extension

Dear Town of Fairview,

Please be advised that the Marion County Commission will consider providing \$4,000 to \$5,000 per household for each county resident that is served by the water line extension in the Town of Fairview conditioned upon their receipt of grant funding approvals for the project.

Final action will be taken by the Commission as soon as the other funding sources are secured.

The Commission would like to be advised of any action being taken to provide funding for this project so that we may act accordingly. This consideration is only valid through this fiscal year ending June 30<sup>th</sup>, 2011.

Thank you.

On behalf of the Commission,

Kris Cinalli  
County Administrator  
Marion County Commission

# MONONGALIA COUNTY COMMISSION

243 HIGH STREET, ROOM 202  
COURTHOUSE  
MORGANTOWN, WEST VIRGINIA 26505

L.W. "Bill" Bartolo, Commissioner  
Eldon A. Callen, Commissioner  
Asel Kennedy, Commissioner



Telephone 304-291-7257

\$436,000

May 26, 2011

Mayor Bruce Doug White  
City of Fairview  
P. O. Box 119  
Fairview, West Virginia 26570

Dear Mayor White:

On Wednesday, May 25<sup>th</sup> at its regular meeting, the Monongalia County Commission voted to allocate \$440,000 to the water expansion project you have pending with various state agencies.

Assuming all of the other funding sources are confirmed and the approximately 90 Monongalia County residents are served, we will send you the amount allocated above. If the bids come in at a lower amount we will pay on a percentage basis. Example, if the bid comes in 5% lower we will lower our allocation by 5%.

We will not, however, pay more than the \$440,000 allocated as stated above.

We will need an invoice from you with the breakout of all costs and we anticipate this payment will be made to you in the first quarter of the upcoming fiscal year.

For the Commission,

Asel Kennedy  
President  
Monongalia County Commission

RECEIVED  
JUN 21 AM 11:15  
W. VA. PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

# MONONGALIA COUNTY COMMISSION

COURTHOUSE  
MORGANTOWN, WEST VIRGINIA 26505

Robert "Bob" Bell, Commissioner  
Asel Kennedy, Commissioner  
L.W. "Bill" Bartolo, Commissioner



Telephone: 304 291-7257

October 27, 2010

Town of Fairview  
P. O. Box 119  
Fairview, West Virginia 26570

RE: Fairview Water Line Extension

Please be advised that the Monongalia County Commission will consider providing \$4,000 to \$5,000 per household for each county resident that is served by the water line extension from the Town of Fairview conditioned upon their receipt of grant funding approvals for the project.

Final action will be taken by the Commission as soon as the other funding sources are in place.

The Commission would like to be advised of any action being taken to provide funding for this project so that we may act accordingly. This consideration is only valid through this fiscal year ending June 30, 2011.

Thank you.

For the Commission,

A handwritten signature in cursive script that reads "Diane F. DeMedici".

Diane F. DeMedici  
County Administrator  
Monongalia County Commission

✓Cc: Kathy Ice

\$100,000



CONSOL ENERGY  
Consolidation Coal Company  
Northern West Virginia Operations  
1 Bridge Street  
Menongah, WV, 26554  
Phone (304) 534-4730  
Fax: (304) 534-4738

Date: July 20, 2011

To: Ms. Kathi Ice  
Water Extension Committee Chairperson  
3081 Miracle Run Road  
Fairview, WV. 26570

Subject: CONSOL ENERGY funding commitment for the Water Extension Project to the  
Loveridge Mine, Sugar Run Facility.

Dear Ms. Ice,

In response to your letter dated June 24<sup>th</sup>, please accept this letter as Consol Energy's  
commitment to support the Fairview Water Extension Project. In your letter, you stated  
that the required additional funding could be as much as \$75,000 to \$100,000. Consol  
Energy will supply support for the Project up to that amount.

Sincerely,

Philip J. Molesky  
Manager of Engineering  
Northern West Virginia Operations

Cc: M. Ayersman  
J. Gandy  
C. Shaynak  
S. White  
L. Zicmba  
S. Stroupe

  
**United States Department of Agriculture  
Rural Development  
West Virginia State Office**

May 24, 2012

Town of Fairview  
Water Revenue Bonds, Series 2012 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 Water Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), in the original aggregate principal amount not to exceed \$1,100,000 (the "Series 2012 A Bonds"), by the Town of Fairview (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 Water Revenue Bonds, Series 2000, dated January 27, 2000, issued in the original aggregate principal amount of \$405,000 (the "Series 2000 Bonds"), (the "Prior Bonds"); (b) waives any requirements imposed by the Prior Bonds or the ordinance 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 Ordinances by the Ordinance.

WITNESSETH my signature on this 24th day of May, 2012.

  
\_\_\_\_\_  
State Director

1550 Earl Core Road, Suite 101, Morgantown, WV 26505  
304.284.4860 • 1.800.295.8228 • 304.284.4893 • TTY/TDD 304.284.4836 • Web: <http://www.rurdev.usda.gov>

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**TOWN OF FAIRVIEW**

**Water Revenue Bonds, Series 2000  
(United States Department of Agriculture)**

**BOND ORDINANCE**

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TOWN OF FAIRVIEW

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF FAIRVIEW, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$405,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

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

ARTICLE I

STATUTORY AUTHORITY,  
FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Fairview (the "Issuer") is a duly created and validly existing municipal corporation and 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 waterworks system and desires to acquire, construct and operate certain additional public waterworks facilities consisting of certain additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered that there be acquired and constructed certain additions, betterments and improvements to the existing waterworks facilities of the Issuer, consisting of replacing waterlines, 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 waterworks 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 the completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is \$700,000, of which \$405,000 will be obtained from the proceeds of sale of the Bonds herein authorized and \$295,000 will be obtained from a grant by the Purchaser (as hereinafter defined).

E. It is necessary for the Issuer to issue its Water Revenue Bonds, Series 2000 (United States Department of Agriculture), in the aggregate principal amount of \$405,000 (the "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 construction or acquisition of the Project; the acquisition of any property rights, easements and franchises, deemed necessary or convenient therefor; interest on the 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, as herein defined, after completion of the Project is not less than 40 years.

G. There are no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Bonds as to liens, pledge and source of and security for payment.

H. It is in the best interest of the Issuer that the Bonds be sold to the Purchaser, pursuant to the terms and provisions of a Letter of Conditions dated February 18, 1998, and any other amendments thereto (collectively, 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 Bonds, or will have so complied prior to issuance of the Bonds, including among other things and without limitation, 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.

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

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

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

"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 the Water Revenue Bonds, Series 2000 (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Consulting Engineer" means George E. Piggott and Associates, Inc., Fairmont, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

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

"Facilities" or "waterworks 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.

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

"Issuer" or "Borrower" means the Town of Fairview, a municipal corporation and 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 February 18, 1998, and any other 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 Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and

such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bonds and into the Reserve Account and the Depreciation Account have been made to the last monthly date prior to the date of such retention.

"Ordinance" means the Bond Legislation.

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

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

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

(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 Owner," "Bondholder," "Holder 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.

"State" means the State of West Virginia.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND  
CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$700,000, 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 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 Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2000 (United States Department of Agriculture)," is hereby authorized to be issued in the aggregate principal amount of not exceeding \$405,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02.      Description of Bonds. The Bonds shall be issued in single form, numbered R-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Bonds shall bear interest from date of delivery, payable monthly at the rate of 4.875% per annum, and shall be sold for the par value thereof.

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

Section 3.03.      Negotiability, Registration, Transfer and Exchange of Bonds. The 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 Bonds, and the right to principal of and stated interest on the 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 Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the 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 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 Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such

reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of the Bonds as hereinbefore provided.

The Bond Registrar shall accept the 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 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 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 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 Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the 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 Bonds so surrendered shall be canceled and held for the account of the Issuer. If the 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 Gross Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a first lien on the Gross Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Bonds. The Gross Revenues derived from the System in

an amount sufficient to pay the principal of and interest on the Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.08.      Form of Bond. Subject to the provisions hereof, the text of the Bond 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 BOND)

TOWN OF FAIRVIEW

WATER REVENUE BONDS, SERIES 2000  
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$405,000

No. R-1

Date: \_\_\_\_\_

FOR VALUE RECEIVED, the TOWN OF FAIRVIEW (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 FOUR HUNDRED FIVE THOUSAND DOLLARS (\$405,000) plus interest on the unpaid principal balance at the rate of 4.875% 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 \$1,957.00, 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 acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at 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 8, Article 19 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on January 24, 2000, 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.

IN WITNESS WHEREOF, the TOWN OF FAIRVIEW 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 FAIRVIEW  
(Name of Borrower)

[CORPORATE SEAL]

\_\_\_\_\_  
(Signature of Executive Official)

Mayor  
(Title of Executive Official)

407 Main Street  
(P. O. Box No. or Street Address)

Fairview, West Virginia 26570  
(City, State and Zip Code)

ATTEST:

\_\_\_\_\_  
(Signature of Attesting Official)

Recorder  
(Title of Attesting Official)

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, 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;
- (2) Reserve Account;
- (3) Depreciation Account; and
- (4) Project Construction Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the 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 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 the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the 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 herein 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 herein.

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:

(1) The Issuer shall first, each month, on or before the due date of payment of each installment on the Bonds, transfer from the Revenue Fund and remit to the National Finance Office, the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the life of the Bond issue.

(2) 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 Reserve Account, 0.4167% of the Minimum Reserve, until the amount in the Reserve Account equals the Minimum Reserve. Moneys in the Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Bonds, or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose.

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

(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, 0.4167% of the Minimum Reserve, until the amount in the Reserve Account equals the Minimum Reserve, and thereafter,

0.8334% of the Minimum Reserve, so long as the Bonds are outstanding; provided, however, that in the event Revenues are insufficient to fund the Reserve Account in accordance with Section 4.03B(2) above, or a withdrawal of funds from the Reserve Account is made, payment of Revenues into the Depreciation Account as provided in this Section 4.03B(4) shall not be made, but instead Revenues shall be applied to the replenishment of the Reserve Account until such deficiency is cured, at which time payments into the Depreciation Account as provided in this Section 4.03B(4) shall resume. Moneys in the Depreciation Account shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bonds as the same become due, and next to restore to the Reserve Account any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments into the Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Account may be withdrawn by the Issuer and used for repairs, replacements, improvements or extensions to the System, or any part thereof.

(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 Reserve Account shall be sufficient to prepay the Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the 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 Reserve Account and the Depreciation Account as herein provided, and all amounts required for the 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.

The Revenue Fund, the Reserve Account and the Depreciation 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 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.

The Depository Bank, at the direction of the Issuer, shall keep the moneys in the 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 Board of Investment Management. Except as otherwise provided herein, 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 Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually 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 389 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 Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$405,000 (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 a credit agreement, with such 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 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 Reserve Account a sum sufficient to prepay the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the 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 Bonds and sufficient to make the payments required to be made herein into the Reserve Account 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 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 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 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 Recorder of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage 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; provided, however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee 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 treasurer, 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 Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the 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 Bonds and shall be for the equal benefit of the 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 Bond at the date specified for payment thereof;

(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 Bond or herein, or violation of or failure to observe any provision of any pertinent law.

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 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 Bonds are outstanding.

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

## ARTICLE VI

### RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the Rate Ordinance of the Issuer enacted on April 26, 1999.

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 Holder of the Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Bonds, the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Holder of the 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 the Bonds. The Mayor is hereby authorized and directed to cause the 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 Bonds.

Section 7.05.        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).

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 were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

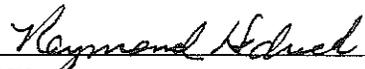
Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Governing Body 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 newspaper of general circulation in the Town of Fairview, there being no newspaper published therein, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the 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: December 13, 1999

Passed on Second Reading: January 10, 2000

Passed on Third Reading  
following public hearing: January 24, 2000

  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF FAIRVIEW on the 24th day of January, 2000, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the TOWN OF FAIRVIEW this 27th day of January, 2000.

[SEAL]

Janet L. Pyles  
Recorder

01/05/00  
271720/98001

# SPECIMEN

## TOWN OF FAIRVIEW

WATER REVENUE BONDS, SERIES 2000  
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$405,000

No. R-1

Date: January 27, 2000

FOR VALUE RECEIVED, the TOWN OF FAIRVIEW (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 FOUR HUNDRED FIVE THOUSAND DOLLARS (\$405,000) plus interest on the unpaid principal balance at the rate of 4.875% 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 \$1,957.00, 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 acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at 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 8, Article 19 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on January 24, 2000, 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.

IN WITNESS WHEREOF, the TOWN OF FAIRVIEW 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 FAIRVIEW

[CORPORATE SEAL]

Raymond Hedrick  
Mayor

407 Main Street  
Fairview, West Virginia 26570

ATTEST:

Janet L. Pyles  
Recorder

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$53,000	01/27/00	(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:

\_\_\_\_\_