

TOWN OF GRANTSVILLE
Sewer Revenue Bonds, Series 2015 A and
Sewer Revenue Bonds, Series 2015 B
(United States Department of Agriculture)

BOND ORDINANCE

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TOWN OF GRANTSVILLE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF GRANTSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$240,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2015 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN \$160,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2015 B (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 GRANTSVILLE:

ARTICLE I

**STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS**

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Grantsville (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Calhoun County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to acquire, construct and operate certain additional public sewerage facilities consisting of additions, betterments and improvements to such existing sewerage facilities consisting of replacement of three lift stations, 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 sewerage system of the Issuer, consisting of

improvements to the existing collection system, construction of new sanitary sewer line, repairs to the wastewater treatment plant wet well, and all necessary appurtenances (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The existing sewerage facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2015 Bonds and the Prior Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein and in the Prior Ordinances.

D. It is necessary for the Issuer to issue its Sewer Revenue Bonds Series 2015 A (United States Department of Agriculture), in the aggregate principal amount no to exceed \$240,000 (the "Series 2015 A Bonds"), and Sewer Revenue Bonds Series 2015 B (United States Department of Agriculture), in the aggregate principal amount no to exceed \$160,000 (the "Series 2015 B Bonds"), (collectively, the "Series 2015 Bonds"), in one or more series, to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2015 Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2015 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

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

F. The Issuer has outstanding its: (i) Sewer Revenue Bonds, Series 1990 (United States Department of Agriculture), dated August 22, 1990, issued in the aggregate principal amount of \$69,000 (the "Series 1990 Bonds"); (ii) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated November 12, 2009, issued in the original aggregate principal amount of \$343,361 (the "Series 20089 A Bonds"); and (iii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated

November 12, 2009, issued in the original aggregate principal amount of \$2,200,300 (the "Series 2009 B Bonds"), (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by a lien on the Net Revenues (as hereinafter defined) of the System.

The Series 2015 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 other respects.

Prior to the issuance of the Series 2015 Bonds, the Issuer will obtain (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 2015 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.

G. It is in the best interest of the Issuer that the Series 2015 Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated July 11, 2013, and any amendments, thereto (collectively, the "Letter of Conditions").

H. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2015 Bonds, or will have so complied prior to issuance of the Series 2015 Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2015 Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2015 Bonds.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended.

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

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

"Bonds" means collectively, the Series 2015 Bonds, the Prior Bonds and where appropriate, any bonds on a parity herewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2015 Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2015 Bonds from the Purchaser.

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

"Consulting Engineer" means The Thrasher Group, Bridgeport, 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 a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns as designated in the Supplemental Resolution.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

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

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

"Grant" means any grant monies committed to the Project.

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

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

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated July 11, 2013, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2015 Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided, that all monthly amortization payments upon the Series 2015 Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Ordinances" means, the Bond Legislation.

"Prior Bonds" means the Series 1990 Bonds, the Series 2009 A Bonds and the Series 2009 B Bonds.

"Prior Ordinances" means the Ordinance of the Issuer authorizing the Prior Bonds.

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

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

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

- (a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or

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

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

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

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2015 Bonds.

"Reserve Funds" means, the respective reserve funds for the Series 2015 Bonds and the Prior 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.

"Series 1990 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 (United States Department of Agriculture), dated August 22, 1990, issued in the aggregate principal amount of \$69,000.

"Series 2009 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated November 12, 2009, issued in the original aggregate principal amount of \$343,361.

"Series 2009 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated November 12, 2009, issued in the original aggregate principal amount of \$2,200,300.¹

¹The Series 2009 B Bonds are forgivable quarterly until maturity of March 1, 2021

"Series 2015 Bonds" means collectively, the Series 2015 A Bonds and Series 2015 B Bonds.

"Series 2015 A Bonds" means the Sewer Revenue Bonds, Series 2015 A (United States Department of Agriculture) issued in one or more series authorized by this Ordinance.

"Series 2015 B Bonds" means the Sewer Revenue Bonds, Series 2015 B (United States Department of Agriculture) issued in one or more series authorized by this Ordinance.

"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 with the article "the", refers specifically to the supplemental resolution authorizing the sale of the Series 2015 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2015 Bonds, and not so included may be included in another supplemental resolution.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2015 Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2015 Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$1,290,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2015 Bonds hereby authorized shall be applied as provided in Article IV hereof.

The estimated maximum cost of the acquisition and construction of the Project is \$1,290,000, of which \$240,000 will be obtained from the proceeds of sale of the Series 2015 A Bonds herein authorized; \$160,000 will be obtained from the proceeds of sale of the Series 2015 B Bonds herein authorized; and \$890,000 will be obtained from grants from the Purchaser.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2015 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2015 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of not to exceed \$240,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Subject and pursuant to the provisions of this Bond Legislation, the Series 2015 B Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2015 B (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of not to exceed \$160,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. A. The Series 2015 A Bonds shall be issued in one or more series, only as a fully registered Bond in an aggregate principal amount to be prescribed in the Supplemental Resolution, and shall be dated on the date of delivery thereof. The Series 2015 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 3.5% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2015 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

B. The Series 2015 B Bonds shall be issued in one or more series, only as a fully registered Bond in an aggregate principal amount to be prescribed in the Supplemental Resolution, and shall be dated on the date of delivery thereof. The Series 2015 B Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 3.5% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2015 B Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2015 Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2015 Bonds, and the right to the principal of and stated interest on the Series 2015 Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2015 Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2015 Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2015 Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2015 Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2015 Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2015 Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2015 Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2015 Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2015 Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2015 Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2015 Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2015 Bonds shall cease to be such officer of the Issuer before the Series 2015 Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2015 Bonds had not ceased to hold such office. The Series 2015 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2015 Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2015 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2015 Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2015 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2015 Bonds the Issuer may pay the same, and, if such Series 2015 Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2015 Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2015 Bonds on a parity with the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2015 Bonds and the Prior Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the

principal of and interest on the Series 2015 Bonds and Prior Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2015 Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any supplemental resolution enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2015 A BOND)

TOWN OF GRANTSVILLE

SEWER REVENUE BONDS, SERIES 2015 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____, 2015

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

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

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

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

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

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

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

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

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

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

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on _____, 2015, and a Supplemental Resolution duly adopted by the Issuer on _____, 2015 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(I) SEWER REVENUE BONDS, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 22, 1990, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$69,000;

(II) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$343,361 (COLLECTIVELY, THE "PRIOR BONDS");

(III) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,200,300 (THE "SERIES 2009 B BONDS")², (COLLECTIVELY, THE "PRIOR BONDS").

²The Series 2009 B Bonds were technically issued on a parity; however, the Series 2009 B Bonds are forgivable quarterly until maturity of March 1, 2021

(III) SEWER REVENUE BONDS, SERIES 2015 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2015 B BONDS").

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

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IN WITNESS WHEREOF, the TOWN OF GRANTSVILLE 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 GRANTSVILLE

[CORPORATE SEAL]

Mayor

P.O. Box 247
Grantsville, West Virginia 26275

ATTEST:

Recorder

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, 20____.

In presence of:

(FORM OF SERIES 2015 B BOND)

TOWN OF GRANTSVILLE

SEWER REVENUE BONDS, SERIES 2015 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. BR-1

Date: _____, 2015

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

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

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

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

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

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

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

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

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

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

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on _____, 2015, and a Supplemental Resolution duly adopted by the Issuer on _____, 2015 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(I) SEWER REVENUE BONDS, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 22, 1990, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$69,000;

(II) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$343,361 (COLLECTIVELY, THE "PRIOR BONDS");

(III) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,200,300 (THE "SERIES 2009 B BONDS")³, (COLLECTIVELY, THE "PRIOR BONDS").

³ The Series 2009 B Bonds were technically issued on a parity; however, the Series 2009 B Bonds are forgivable quarterly until maturity of March 1, 2021

(III) SEWER REVENUE BONDS, SERIES 2015 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2015 A BONDS").

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF GRANTSVILLE 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 GRANTSVILLE

[CORPORATE SEAL]

Mayor

P.O. Box 247
Grantsville, West Virginia 26275

ATTEST:

Recorder

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, 20____.

In presence of:

ARTICLE IV

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

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

- (1) Revenue Fund (established by Prior Ordinances and continued hereby);
- (2) Renewal and Replacement Fund (established by Prior Ordinances and continued hereby); and
- (3) Project Construction Account.

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

- (1) Series 1990 Bonds Reserve Account (established by Prior Ordinances as Series 1973 Bonds Reserve Account to act as reserve account for both Series 1973 Bonds and Series 1990 Bonds and is hereby renamed and continued hereby);
- (2) Series 2009 A Bonds Sinking Fund (established by Prior Ordinances and continued hereby);
- (3) Series 2009 A Bonds Reserve Account (established by Prior Ordinances and continued hereby);
- (4) Series 2015 A Bonds Reserve Account; and
- (5) Series 2015 B Bonds Reserve Account.

The Series 2009 B Bonds do not have a sinking fund or reserve account as they are forgivable.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2015 Bonds shall be deposited upon receipt by the Issuer in

the Project Construction Account. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies 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.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2015 Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, 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 acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2015 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2015 Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2015 Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2015 Bonds as follows:

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

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

- (1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund remit on or before the due date thereof, remit to the National Finance Office, (i) the amount required by Prior Ordinances to pay interest on the Series 1990 Bonds; (ii) commencing 24 months following the date of delivery of the Series 2015 A Bonds, the amounts required to pay interest on the Series 2015 A Bonds over the life of the bond issue; and (iii) commencing 24 months following the date of delivery of the Series 2015 B Bonds, the amounts required to pay interest on the Series 2015 B Bonds over the life of the bond issue.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amount required by Prior Ordinances to pay principal on the Series 1990 Bonds; (ii) remit to the Commission the amount required by the Prior Ordinances to pay the principal of the Series 2009 A Bonds; (ii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2015 A Bonds, the amount required to pay principal of the Series 2015 A Bonds; and (iii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2015 B Bonds, the amount required to pay principal of the Series 2015 B Bonds

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Commission, the amount required by the Prior Ordinances to be deposited in the Reserve Accounts for the Prior Bonds; (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2015 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2015 A Bonds Reserve Account equals the Series 2015 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2015 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 2015 A Bonds Reserve Requirement; and (iii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2015 B Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2015 B Bonds Reserve Account equals the Series 2015 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2015 B Bonds Reserve Account when there shall have been

deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2015 B Bonds Reserve Requirement

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the 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 Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

Whenever the monies in the Series 2015 A Bonds Reserve Account shall be sufficient to prepay the Series 2015 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2015 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

Whenever the monies in the Series 2015 B Bonds Reserve Account shall be sufficient to prepay the Series 2015 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2015 B Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

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

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2015 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account

shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2015 B Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

The Revenue Fund and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien on a parity with the Prior Bonds thereon for further securing payment of the Series 2015 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 on a parity and pro rata with respect to the Prior Bonds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2015 Bonds Reserve Accounts and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2015 Bonds Reserve Accounts so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the

Series 2015 Bonds, provide evidence that there will be at least 305 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue

Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess

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

G. REMITTANCES. All remittances made by the Issuer to the

Commission or the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

H. GROSS REVENUES. The Gross Revenues of the System shall

only be used for purposes of the System.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2015 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2015 Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2015 Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2015 Bonds.

Section 5.02. Rates. Prior to the issuance of the Series 2015 Bonds, 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, to meet the coverage requirements set forth in the Prior Ordinances so long as the Prior Bonds are outstanding and thereafter, as (i) will always provide Revenues

in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2015 Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes; and (ii) so long as the Series 2009 A Bonds are Outstanding to provide for all reasonable expenses of operation, repair, maintenance of the System and to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided, that in the event that an amount equal to or in excess of the reserve requirements for the Bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any Fiscal year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 5.03. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, the Issuer shall not sell, mortgage, lease or otherwise dispose of the system, or any part thereof without the prior written consent of the Purchaser. Such consent will provide for the disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

So long as the Series 2015 Bonds or Series 1990 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 Bond Legislation then Outstanding;
- (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 2015 Bonds, representing 75% of the then-outstanding principal

indebtedness.

So long as the Series 2009 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, 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 actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected 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, if any, on the following:

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

The "estimated average increased annual Net Revenues expected 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 prior to the 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, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinances with respect to the Series 2015 Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2015 Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

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

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2015 Bonds.

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

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Recorder of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code

Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

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

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

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2015 Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2015 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2015 Bonds and shall be for the equal benefit of the Series 2015 Bonds on a parity with the Prior Bonds.

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

A. Failure to make payment of any monthly amortization installment upon the Series 2015 Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2015 Bonds or herein, or violation of or failure to observe any provision of any pertinent law, or

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

Section 5.08. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy

and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2015 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 of the Series 2015 Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2015 Bonds, or the rights of such Registered Owners; provided, that all rights and remedies of the Holders of the Series 2015 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Any Registered Owner of the Bonds, by proper legal action, compel the performance of the duties of the Issuer under this 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 the Bonds shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this 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 exercise.

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 hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be

removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 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 the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

Section 5.09. Fiscal Year; Budget. While the Series 2015 Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

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

Section 5.11. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records

and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2015 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 June 2, 2014 which rate ordinance is incorporated herein by reference as a part hereof.

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

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

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

shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

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

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

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

H. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder, but in any event, not less than 110% of the annual debt service on the Bonds outstanding after Prior Bonds are paid in full.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2015 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2015 Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2015 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2015 Bonds, the Issuer may not defease the Series 2015 Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2015 Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2015 Bonds, no modification or

amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2015 Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2015 Bonds.

Section 7.05. Conflicting Provisions Repealed. Except for the Prior Ordinances, all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided, that this section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

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

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

Section 7.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in *The Calhoun Chronicle*, being qualified newspapers of general circulation in the Town of Grantsville, together with a notice stating that this Ordinance has been adopted, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a

certified copy of the Ordinance is on file in the office of the Recorder of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

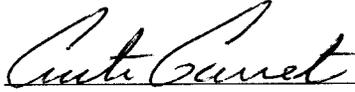
Section 7.09. Effective Date. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Passed on First Reading: February 2, 2015

Passed on Second Reading: March 2, 2015

Passed on Final Reading
Following Public Hearing: April 6, 2015

TOWN OF GRANTSVILLE



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Grantsville on the 6th day of April, 2015.

Dated this 15th day of May, 2015.

[SEAL]


Recorder

351300.00005

TOWN OF GRANTSVILLE

Sewer Revenue Bonds, Series 2015 A; and
Sewer Revenue Bonds, Series 2015 B
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2015 A AND SEWER REVENUE BONDS, SERIES 2015 B OF THE TOWN OF GRANTSVILLE, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Grantsville (the "Issuer") has duly and officially adopted and enacted a bond ordinance, April 6, 2015 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF GRANTSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$240,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2015 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN \$160,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2015 B (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.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2015 A, of the Issuer (the "Series 2015 A Bonds"), in an aggregate principal amount not to exceed \$240,000, and Sewer Revenue Bonds, Series 2015 B, of the Issuer (the "Series 2015 B Bonds"), in an aggregate principal amount not to exceed \$160,000 (collectively, the "Series 2015 Bonds") and has authorized the execution and delivery of the documents relating to the Series 2015 Bonds, all in

accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the “Act”);

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

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

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

A. Sewer Revenue Bonds, Series 2015 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$240,000. The Series 2015 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 2.125% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2015 A Bonds and continuing on the 15th day of each month and, thereafter, principal and interest are payable in monthly installments of \$768 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2015 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2015 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2015 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

B. Sewer Revenue Bonds, Series 2015 B (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered BR-1 in the principal amount of \$70,000. The Series 2015 B Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 2.125% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2015 B Bonds and continuing on the 15th day of each month and, thereafter, principal and interest are payable in monthly installments of \$224 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2015 B Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2015 B Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2015 B Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2015 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2015 Bonds may be delivered on or about May 15, 2015, to the Purchaser.

Section 3. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 4. The Issuer does hereby appoint and designate Calhoun Banks, Grantsville, West Virginia for the purpose of serving in the capacity of Depository Bank.

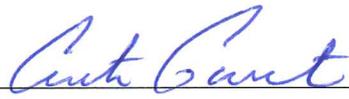
Section 5. The cost of the Project is estimated not to exceed \$893,000, of which \$310,000 will be obtained from proceeds of the Series 2015 Bonds.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 8th day of May, 2015.

TOWN OF GRANTSVILLE



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Grantsville on the 8th day of May, 2015.

Dated: May 15, 2015.

[SEAL]


Recorder



Rural Development

May 14, 2014

West Virginia State
Office

1550 Earl Core Road
Suite 100
Morgantown, WV
26505

Voice 304.284.4860
Fax 304.284.4892

The Honorable Curtis Garretson
Mayor, Town of Grantsville
P.O. Box 146
Grantsville, WV 26147

RE: Wastewater System Improvements Project – Phase 2

Dear Mayor Garretson:

This letter, with Attachment No. 1 amends the letter of conditions dated July 11, 2013 and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an initial RD loan in the amount of \$240,000, a subsequent RD loan in the amount of \$70,000, an initial RD grant in the amount of \$160,000, and a subsequent RD grant in the amount of \$730,000, for a total project cost of \$1,200,000.

Subject to the requirements noted herein, all of the conditions of the July 11, 2013 letter of conditions remain in effect and must be satisfied prior to loan and grant closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted.

Enclosed are the following:

Attachment No. 1 - Project Construction Budget (All Copies)

The conditions referred to above are as follows:

1. Loan Repayment – The subsequent loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. The remaining 456 months will be equal amortized monthly installments. For planning purposes, use a 2.5% interest rate and monthly amortization factor of .00340 which provides for a monthly payment of \$238.00 on the subsequent loan. The monthly payment for the initial \$240,000 loan is \$768.00 and the monthly payment for the subsequent \$70,000 loan is \$ 238.00 for a total loan of \$310,000 and a total monthly payment of \$1,006.00.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

2. The bond for the \$70,000 subsequent loan will need to be a separate bond and it will include the interest rate determined applicable prior to loan closing. It will be satisfactory for the subsequent loan bond to be described in the same loan resolution as the \$240,000 initial loan and for all other information and items of the loan resolution and bond transcript to reflect a \$310,000 total issue consisting of two or more bonds. A copy of this letter should be provided to your bond counsel immediately.
3. Public Service Commission Approval - You must obtain PSC approval of the project's proposed financing and user rates as may result from this amendment to the letter of conditions.
4. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided (you must also provide us with a copy of the minutes showing the adoption of the forms associated with the original letter of conditions):

RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
 Form 1940-1 - "Request for Obligation of Funds"
 RUS Bulletin 1780-27 - "Loan Resolution"
 Form RD 1942-46 - "Letter of Intent to Meet Conditions"

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the Town still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If, during that review, it is determined the budget is no longer current and/or adequate, RD reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely,


 for BOBBY LEWIS
 State Director

Enclosures

cc: Page 3.

cc: Alan L. Harris, Area Director
ATTN: Virginia M. McDonald, Area Specialist
2118 Ripley Road
Ripley, WV 25271

Thrasher Engineering
ATTN: Daniel Ferrell, P.E.
600 White Oaks Boulevard
Bridgeport, WV 26330

Bennett & Dobbins, PLLC
ATTN: Zachary D. Dobbins, CPA
317 Cleveland Avenue
Fairmont, WV 26554

Steptoe & Johnson, PLLC
ATTN: John C. Stump, Esquire
P.O. Box 1588
Charleston, WV 25326

Loren B. Howley, Esquire
P.O. Box 580
Grantsville, WV 26147

Wastewater System Improvements Project - Phase 2
Construction Budget

<u>PROJECT COST</u>	<u>RD SUB LOAN</u>	<u>RD SUB GRANT</u>	<u>RD GRANT</u>	<u>RD LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 61,300	\$ 730,000	\$ -	\$ -	\$ 791,300
CONST. CONTINGENCY	\$ 8,700		\$ 33,800	\$ 36,630	\$ 79,130
LAND & RIGHTS			\$ 9,600	\$ 10,400	\$ 20,000
LEGAL FEES			\$ 2,000	\$ 8,000	\$ 10,000
BOND COUNSEL				\$ 10,250	\$ 10,250
PSC LEGAL COUNSEL				\$ 8,000	\$ 8,000
ACCOUNTING				\$ 26,500	\$ 26,500
ENGINEERING FEES			\$ 86,400	\$ 93,600	\$ 180,000
Study & Report - \$7,00					
Basic - \$110,000					
Insp. - \$40,000					
Special - \$23,000					
INTEREST				\$ 13,200	\$ 13,200
TECHNICAL SERVICES			\$ 14,400	\$ 15,600	\$ 30,000
EQUIPMENT			\$ 5,600	\$ 6,220	\$ 11,820
PROJECT CONTG.			\$ 8,200	\$ 11,600	\$ 19,800
TOTAL	\$ 70,000	\$ 730,000	\$ 160,000	\$ 240,000	\$ 1,200,000

Rates - based on water consumption

Available for general domestic, commercial, and industrial service.

First	1,500	gallons @	\$ 23.56	
Over	1,500	gallons @	\$ 10.20	per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4"	meter	\$ 23.56	per month
3/4"	meter	\$ 35.34	per month
1"	meter	\$ 58.90	per month
1 1/2"	meter	\$ 117.80	per month
2"	meter	\$ 188.48	per month
3"	meter	\$ 353.40	per month
4"	meter	\$ 589.00	per month
6"	meter	\$ 1,178.00	per month

Minimum Monthly Bill - \$23.56 for 1,500 gallons.

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the net amount thereof. This delayed payment penalty is not interest and is to be collected only once for each bill when appropriate.

Reconnection Fee

\$15.60

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

TOWN OF GRANTSVILLE
OPERATING BUDGET

OPERATING INCOME

Metered Sales	\$ 182,977	
Penalties		
Other Income	\$ 6,344	
Reconnect Fees		
TOTAL OPERATING INCOME		<u>\$ 189,321</u>

NON OPERATING INCOME

Interest income		
TOTAL NON OPERATING INCOME		<u>\$ -</u>

TOTAL INCOME

\$ 189,321

EXPENSES

O & M	\$ 149,666	
Taxes	\$ 10,828	
TOTAL EXPENSES		<u>\$ 160,494</u>

INCOME AVAILABLE FOR D/S (A)

\$ 28,827

DEBT SERVICE

Existing Bond P & I (B)	\$ 12,988	
Proposed Bond P & I (B)	\$ 9,216	
Proposed Subsequent Bond P & I (B)	\$ 2,856	

TOTAL DEBT SERVICE \$ 25,060

DEBT SERVICE RESERVE

Existing Debt Service Reserve	\$ -	
Proposed Debt Service Reserve	\$ 922	
Proposed Subsequent Debt Service Reserv	\$ 286	

TOTAL DEBT SERVICE RESERVE \$ 922

SURPLUS (DEFICIT)

\$ 2,845

DEBT COVERAGE (A/B)

115%

TOWN OF GRANTSVILLE
 USE AND INCOME ANALYSIS
 EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 1,500	Over 1,500	TOTAL REVENUE
0 - 1,500	138	117.25	138			
Over 1,500	167	1,001.33		167	750.67	
Monthly Total	305	1,118.58	138	167	750.67	
Proposed Rates			\$ 23.97	\$ 23.97	\$ 10.38	
Monthly Revenues			\$ 3,307.86	\$ 4,002.99	\$ 7,791.95	\$ 15,102.80
Annual Revenues			\$ 39,694.32	\$ 48,035.88	\$ 93,503.46	\$ 181,233.66
				Correction Factor	1.00962	
				Adjusted Annual Revenues	\$ 182,977.12	



July 11, 2013

Rural Development

West Virginia State
Office

1550 Earl Core Road,
Suite 101
Morgantown, WV
26505

The Honorable Curtis Garretson
Mayor, Town of Grantsville
P.O. Box 146
Grantsville, WV 26147

RE: Wastewater System Improvements Project – Phase 2

Voice 304.284.4860
1.800.295.8228
Fax 304.284.4893

Dear Mayor Garretson:

This letter, with Attachments 1 through 9 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered by USDA, Rural Development (RD). Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RD loan in the amount of \$240,000, an RD grant in the amount of \$160,000, and other funding in the amount of \$800,000, for a total project cost of \$1,200,000. The other funding is planned in the form of an Appalachian Regional Commission Grant from the State of West Virginia.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel, and accountant. All parties may access our website located at www.rurdev.usda.gov/UWEP_HomePage.html for the following:

1. RUS Instruction 1780
2. RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance"
3. RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
4. RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"

If you do not have internet access, we will provide the appropriate documents.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 – Project Construction Budget (All Copies)
- Attachment No. 2 – Water and Waste Processing Checklist (All Copies)
- Attachment No. 3 – Form RD 1927-9, “Preliminary Title Opinion” (Attorney Copy)
- Attachment No. 4 – Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way” (Attorney Copy)
- Attachment No. 5 – Form RD 1927-10, “Final Title Opinion” (Attorney Copy)
- Attachment No. 6 – Guidance to Local Attorney (Applicant and Attorney Copies)
- Attachment No. 7 – WV Supplemental General Conditions (Engineer Copy)
- Attachment No. 8 – Labor Standards Provisions (Engineer Copy) (ARC Projects)
- Attachment No. 9 – Various other RD forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Fund Usage – Funds obligated under the terms of this letter of conditions are committed on the basis that your project will proceed to the construction stage in an expedient manner. In accordance with RUS Staff Instruction 1782-1, Section 1782.20(u)(5), any funds not disbursed within 60 months from the date of obligation will be de-obligated and returned to the Department of Treasury for further disposition to other project applicants. In the event that USDA determines that your project has not progressed within the five (5) year timeline and that funds will be recaptured, you will be given appeal rights and due process to document reasons why you believe the decision to de-obligate your project funds is not justified.
2. System for Award Management – System for Award Management (SAM) is a Federal Government database that has combined federal procurement systems and the Catalog of Federal Domestic Assistance into one system. The initiation of SAM includes the functionality of (1) Central Contractor Registry (CCR), (2) Federal Agency Registration (Fedreg), (3) Online Representations and Certifications Application, and (4) Excluded Parties List System (EPLS). The benefits of SAM include streamlined and integrated processes, elimination of data redundancies, and reduced costs while providing improved capability. Registering with SAM is required for all recipients of Federal loans and grants. Registration expires every 12 months and must be renewed. Detailed instructions on registration and renewal are available at www.sam.gov or can be provided by our agency.
3. Loan Repayment – The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 2.125% interest rate and a monthly amortization factor of .00320, which provides for a monthly payment of \$768. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited

from your account on the day your payment is due. The Town must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan. You will be required to establish this debt service reserve account with the West Virginia Municipal Bond Commission. We also recommend that, as part of this financing, you move any existing debt service reserve accounts to the Municipal Bond Commission as well. Your bond counsel will be able to assist you with this.

You are reminded that the Town may be required to refinance (graduate) the unpaid balance of its RD loan, in whole or in part, upon the request of RD if at any time it shall be determined the Town is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

4. Security – The loan must be secured by a statutory lien of equal priority, a pledge of the system’s revenues and other agreements between you and RD as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of the Town. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.
5. Users – This conditional commitment is based upon you providing evidence that there will be at least 305 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the Town’s existing sewer system which is to be improved by the new project, at the time you request authorization to advertise the project for construction bids.

Before RD can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users have been acquired and are currently using the system.

6. Accounting Services – Agency regulations outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on the Town. “Government Auditing Standards” (Revised July 2007), which may be accessed at www.gao.gov/govaud/ybk01.htm, and RUS Bulletins 1780-30 and 1780-31, which may be accessed at our agency website www.rurdev.usda.gov/UWEP_HomePage.html, outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$500,000 or more in Federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia.

Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

7. Facility Control – Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
 - a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts, or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, “Preliminary Title Opinion” may be used. In the case of your existing system or where the Town already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.
 - c. A narrative opinion from your attorney concerning all permits, certifications, and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way,” may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney’s legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.
 - e. On the day of loan closing, the Town’s attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, “Final Title Opinion” may be used. In the case of your existing system or where the Town has already acquired real property(s) (land or facilities), the Town’s attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.

8. Permits – Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
 - a. West Virginia Department of Highways
 - b. State Department of Health
 - c. Department of Environmental Protection
 - d. Public Land Corporation

9. Public Service Commission Approvals – You must obtain the following from the West Virginia Public Service Commission:
 - a. A Certificate of Convenience and Necessity.
 - b. Approval of user charges that are acceptable to you and RD.
 - c. Approval of financing for the project's proposed financing arrangements.

The “Rule 42” Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its “Rule 42” Exhibit must be provided for review.

10. Insurance and Bonding Requirements – Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.
 - a. General Liability Insurance – This should include vehicular coverage.
 - b. Workers' Compensation – In accordance with appropriate State laws.
 - c. Position Fidelity Bond(s) – All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time.

The minimum coverage acceptable to RD once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. Real Property Insurance – Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks, or noncombustible materials used in treatment plants, clearwells, filters, and the like.

11. Environmental Requirements --

- a. Mitigation – At the conclusion of the proposal’s environmental review process, specific actions were negotiated with environmental regulatory officials to avoid or minimize adverse environmental impacts. Those actions(s) are required for successful completion of the project and must be adhered to during project design and construction. Mitigation measures necessary to avoid or minimize any adverse effects caused by the project are summarized as follows:

<u>Affected Environment</u>	<u>Mitigation</u>
Land Use/ Important Farm Land/Formally Classified Lands	Minimize site disturbance. Define actual construction area.
Biological Issues	Vegetation planting. Sediment erosion controls. Obtain permits for construction activities.
Water Quality	Temporary sediment erosion controls. Designated fueling areas. Avoid streambeds when possible Obtain permits for construction activities.

- b. Project Modifications – The project as proposed has been evaluated to be consistent with all applicable environmental requirements. If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

12. Vulnerability Assessments (VA) and Emergency Response Plans (ERP) – Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are complete prior to bid authorization.

RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide you with on site assistance if desired.

13. Civil Rights & Equal Opportunity – You should be aware of and will be required to comply with other Federal statute requirements including but not limited to:

Section 504 of the Rehabilitation Act of 1973 – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.

Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

14. Contract Documents, Final Plans and Specifications –

- a. The contract documents should consist of the following:
 - i. EJCDC Document No. C-520, 2007 Edition, “Suggested Form of Agreement between Owner and Contractor (Stipulated Price) and EJCDC Document No. C-700, 2007 Edition, “Standard General Conditions of the Construction Contract” and Attachments. The EJCDC document is issued under copyright and cannot be provided by RD.
 - ii. “WV Supplemental General Conditions.” (See Attachment No. 7)
 - iii. “Labor Standards Provisions” – Title 29, Subtitle A, Part 5, Section 5.5, Contract Provisions and Related Matters. One copy of this item is attached hereto (Attachment No. 8). Additional copies must be reproduced by the engineer.

RUS Bulletin 1780-26, “Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance (August 20, 2009 Version),” must be used by your engineer in the preparation of the contract documents.

- b. The contract documents must provide, as a minimum, the following insurance:
 - i. Liability Insurance – Personal Liability -- \$500,000; Property Damage -- \$200,000 each occurrence. This coverage must include indemnification of the Town and its engineer. EJCDC Document C-700, “Standard General Conditions of the Construction Contract” and Exhibit H to RUS Bulletin 1780-26, “Supplementary Conditions” both suggest certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

- ii. Builder's Risk Insurance – On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
- iii. Workers' Compensation – In accordance with applicable State laws.
- c. The contract documents and final plans and specifications must be submitted to RD for approval.
- d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

15. Disbursement of Funds – The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of the Town, over 30 day periods. Funds will be disbursed by electronic transfer of funds.

Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

- a. Federal grant awards (includes all Federal funding sources) are less than \$120,000 per year.
- b. The best available interest bearing account would not be expected to earn in excess of the following:
 - i. Public Bodies
Interest earned on grant funds in excess of \$100 per year will be submitted to RD at least quarterly as required in 7 CFR 3016.
- c. The depository would require a minimum balance so high that it would not be feasible.

The Town will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account.

All deposits in excess of \$250,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The Town must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RD.

16. Other Project Funds – Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. The evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.
17. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:
 - a. Form RD 1940-1 – “Request for Obligation of Funds”
 - b. RUS Bulletin 1780-12 – “Water or Waste System Grant Agreement”
 - c. RUS Bulletin 1780-27 – “Loan Resolution (Public Bodies)”
 - d. Certification of Compliance
 - e. Form RD 1942-46, “Letter of Intent to Meet Conditions”
18. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.
19. Upon receipt of the loan and grant docket, which contains all the items required above, RD may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RD with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD. If the amount of unused RD project funds exceeds the RD grant, that part would be RD loan funds.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the Town still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RD reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely,



BOBBY LEWIS
State Director

Enclosures

cc: Alan L. Harris, Area Director
ATTN: Virginia M. McDonald, Area Specialist
2118 Ripley Road
Ripley, WV 25271

Thrasher Engineering
ATTN: Daniel Ferrell, P.E.
30 Columbia Blvd.
Clarksburg, WV 26301

Bennett & Dobbins, PLLC
ATTN: Zachary D. Dobbins, CPA
317 Cleveland Avenue
Fairmont, WV 26554

Steptoe & Johnson, PLLC
ATTN: John C. Stump, Esquire.
P.O. Box 1588
Charleston, WV 25326

Loren B. Howley, Esquire
P.O. Box 580
Grantsville, WV 26147

West Virginia Development Office
ATTN: James Bush, ARC Program Manager
Capitol Complex, Bldg. 6, Room 553
Charleston, WV 25305-0311

Bob Leach, Grants Coordinator
Mid-Ohio Valley Regional Council
P.O. Box 247
Parkersburg, WV 26102

Wastewater System Improvements Project - Phase 2
Construction Budget

<u>PROJECT COST</u>	<u>ARC GRANT</u>	<u>RD GRANT</u>	<u>RD LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 791,300	\$ -	\$ -	\$ 791,300
CONST. CONTINGENCY	\$ 8,700	\$ 33,800	\$ 36,630	\$ 79,130
LAND & RIGHTS		\$ 9,600	\$ 10,400	\$ 20,000
LEGAL FEES		\$ 2,000	\$ 8,000	\$ 10,000
BOND COUNSEL			\$ 10,250	\$ 10,250
PSC LEGAL COUNSEL			\$ 8,000	\$ 8,000
ACCOUNTING			\$ 26,500	\$ 26,500
ENGINEERING FEES		\$ 86,400	\$ 93,600	\$ 180,000
Study & Report - \$7,00				
Basic - \$110,000				
Insp. - \$40,000				
Special - \$23,000				
INTEREST			\$ 13,200	\$ 13,200
TECHNICAL SERVICES		\$ 14,400	\$ 15,600	\$ 30,000
EQUIPMENT		\$ 5,600	\$ 6,220	\$ 11,820
PROJECT CONTG.		\$ 8,200	\$ 11,600	\$ 19,800
TOTAL	\$ 800,000	\$ 160,000	\$ 240,000	\$ 1,200,000

Rates - based on water consumption

Available for general domestic, commercial, and industrial service.

First	1,500	gallons @	\$ 23.56	
Over	1,500	gallons @	\$ 10.20	per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4"	meter	\$ 23.56	per month
3/4"	meter	\$ 35.34	per month
1"	meter	\$ 58.90	per month
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2"	meter	\$ 188.48	per month
3"	meter	\$ 353.40	per month
4"	meter	\$ 589.00	per month
6"	meter	\$ 1,178.00	per month

Minimum Monthly Bill - \$23.56 for 1,500 gallons.

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the net amount thereof. This delayed payment penalty is not interest and is to be collected only once for each bill when appropriate.

Reconnection Fee

\$15.60

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

TOWN OF GRANTSVILLE
 USE AND INCOME ANALYSIS
 EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 1,500	Over 1,500	TOTAL REVENUE
0 - 1,500	138	117.25	138			
Over 1,500	167	1,001.33		167	750.67	
Monthly Total	305	1,118.58	138	167	750.67	
Proposed Rates			\$ 23.56	\$ 23.56	\$ 10.20	
Monthly Revenues			\$ 3,251.28	\$ 3,934.52	\$ 7,656.83	\$ 14,842.63
Annual Revenues			\$ 39,015.36	\$ 47,214.24	\$ 91,882.01	\$ 178,111.61
				Correction Factor	1.00962	
				Adjusted Annual Revenues	\$ 179,825.04	

TOWN OF GRANTSVILLE
OPERATING BUDGET

OPERATING INCOME

Metered Sales	\$ 179,825	
Penalties		
Other Income	\$ 6,344	
Reconnect Fees		
TOTAL OPERATING INCOME		<u>\$ 186,169</u>

NON OPERATING INCOME

Interest income		
TOTAL NON OPERATING INCOME		<u>\$ -</u>

TOTAL INCOME

\$ 186,169

EXPENSES

O & M	\$ 149,666	
Taxes	\$ 10,828	
TOTAL EXPENSES		<u>\$ 160,494</u>

INCOME AVAILABLE FOR D/S (A)

\$ 25,675

DEBT SERVICE

Existing Bond P & I (B)	\$ 12,988	
Proposed Bond P & I (B)	\$ 9,216	
TOTAL DEBT SERVICE		<u>\$ 22,204</u>

DEBT SERVICE RESERVE

Existing Debt Service Reserve	\$ -	
Proposed Debt Service Reserve	\$ 922	
TOTAL DEBT SERVICE RESERVE		<u>\$ 922</u>

SURPLUS (DEFICIT)

\$ 2,549

DEBT COVERAGE (A/B)

115.63%

**UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL DEVELOPMENT
 Town of Grantsville - Wasterwater System Improvements Project - Phase 2
 Water and Waste Processing Checklist**

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		X	3
	DUNS Number	1		Applicant		X	3
	CAIVRS Number	1		RD			3
	System for Award Management (SAM) CAGE Code and Expiration Date	1		Applicant		X	3
AD 3031	Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants	1	Sections 738 and 739 FY 2012 Appro. Act			X	5
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		X	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		X	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		X	5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		X	2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		X	1
	Staff Review Financial Statements	1	S.I. 1780.2	RD		X	1
EJCDC No. E-510-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		X	6
RUS Legal Services Agreement	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		X	5
	Site Visit		S.I. 1780-2	RD		X	3
	Processing Conference	1	1780.39(a)	RD		X	3
	Environmental Report	2	1794	Applicant		X	3
	Environmental Assessment	2	1794	RD/ Engineer		X	3
Exhibit H S.I. 1794-1	Categorical Exclusion	2	1794	RD		X	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		X	6
	Staff Engineer PER Review	1	1780.33(c)	RD		X	3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		X	8
	Rate Tariff	2	1780.33	Applicant		X	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		X	3

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RD		X	3
	Documentation on Service Area	1	1780.11	RD		X	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RD			1
	Letter of Conditions	7	1780.41 (a)(5)	RD			3
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
CPAP Form	Project Information	2	1780.41(a)	RD			1
CPAP Form	Underwriting Information	2	1780.33(h)	RD			3
RD 1940-1	Request for Obligation of Funds	2	1780.41(a)	RD/ Applicant			2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RD/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
	Relationships/Associations with Agency Employees	1	1780.1(f)	RD			3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant			5
	Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RD			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RD Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RD			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
	DOH Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RD			6

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RD/ Attorney			3
	Evidence of "Other Funds"	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RD/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
(Existing borrowers)	Certifications on VA and ERP	1		Applicant			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RD			5
	S/O Closing Instructions	1	1780.44(h)	RD			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RD			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RD/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RD			5

SPECIMEN

TOWN OF GRANTSVILLE

SEWER REVENUE BONDS, SERIES 2015 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$240,000

No. AR-1

Date: May 15, 2015

FOR VALUE RECEIVED, the TOWN OF GRANTSVILLE (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000), plus interest on the unpaid principal balance at the rate of 2.125% 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 15th day of each month for the first twenty-four months after the date hereof, and \$768, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a

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

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on April 6, 2015, and a Supplemental Resolution duly adopted by the Issuer on May 8, 2015 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(I) SEWER REVENUE BONDS, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 22, 1990, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$69,000;

(II) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$343,361 (COLLECTIVELY, THE "PRIOR BONDS");

(III) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,200,300 (THE "SERIES 2009 B BONDS")¹, (COLLECTIVELY, THE "PRIOR BONDS").

(IV) SEWER REVENUE BONDS, SERIES 2015 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MAY 15 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$70,000 (THE "SERIES 2015 B BONDS").

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

[Remainder of Page Intentionally Blank]

¹The Series 2009 B Bonds were technically issued on a parity; however, the Series 2009 B Bonds are forgivable quarterly until maturity of March 1, 2021

IN WITNESS WHEREOF, the TOWN OF GRANTSVILLE 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 GRANTSVILLE

[CORPORATE SEAL]



Mayor

P.O. Box 247
Grantsville, West Virginia 26275

ATTEST:



Recorder

SPECIMEN

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$187,852.81	05/15/2015	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

In presence of:

SPECIMEN

TOWN OF GRANTSVILLE

SEWER REVENUE BONDS, SERIES 2015 B (UNITED STATES DEPARTMENT OF AGRICULTURE)

\$70,000

No. BR-1

Date: May 15, 2015

FOR VALUE RECEIVED, the TOWN OF GRANTSVILLE (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 SEVENTY THOUSAND DOLLARS (\$70,000), plus interest on the unpaid principal balance at the rate of 2.125% 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 15th day of each month for the first twenty-four months after the date hereof, and \$224, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made

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

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on April 6, 2015, and a Supplemental Resolution duly adopted by the Issuer on May 8, 2015 authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(I) SEWER REVENUE BONDS, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 22, 1990, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$69,000;

(II) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$343,361 (COLLECTIVELY, THE "PRIOR BONDS");

(III) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,200,300 (THE "SERIES 2009 B BONDS")¹, (COLLECTIVELY, THE "PRIOR BONDS").

(IV) SEWER REVENUE BONDS, SERIES 2015 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MAY 15, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$240,000 (THE "SERIES 2015 A BONDS").

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

[Remainder of Page Intentionally Blank]

¹ The Series 2009 B Bonds were technically issued on a parity; however, the Series 2009 B Bonds are forgivable quarterly until maturity of March 1, 2021

IN WITNESS WHEREOF, the TOWN OF GRANTSVILLE 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 GRANTSVILLE

[CORPORATE SEAL]



Mayor

P.O. Box 247
Grantsville, West Virginia 26275

ATTEST:



Recorder

SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$3,500	05/15/2015	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

In presence of:



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

Writer's Contact Information

May 15, 2015

Town of Grantsville
Sewer Revenue Bonds, Series 2015 A
(United States Department of Agriculture)

Town of Grantsville
Grantsville, West Virginia

United States Department of Agriculture
Ripley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Grantsville, in Calhoun County, West Virginia (the "Issuer"), of its \$240,000 Sewer Revenue Bonds, Series 2015 A (United States Department of Agriculture), dated the date hereof (the "Series 2015 A Bonds"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on April 6, 2015 as supplemented by Supplemental Resolution duly adopted on May 8, 2015 (collectively, the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Series 2015 A Bonds, pursuant to the provisions of the Act and other applicable provisions of law.
2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Legislation for the security of the Series 2015 A Bonds on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 1990 (United States Department of Agriculture), dated August 22, 1990, issued in the aggregate principal amount of \$69,000 (the Series 1990 Bonds); (ii) Sewer Revenue Bonds, Series

2009 A (West Virginia SRF Program), dated November 12, 2009, issued in the original aggregate principal amount of \$343,361 (the "Series 2009 A Bonds"); (iii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated November 12, 2009, issued in the original aggregate principal amount of \$2,200,300 (the "Series 2009 B Bonds")¹, (collectively, the "Prior Bonds"); and (iv) Sewer Revenue Bonds, Series 2015 B (United States Department of Agriculture), dated May 15, 2015, issued simultaneously herewith in the aggregate principal amount of \$70,000 (the "Series 2015 B Bonds"). Other than the Prior Bonds and Series 2015 B Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2015 A Bonds as to liens, pledge and/or source of and security for payment.

4. The Series 2015 A Bonds have been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Series 2015 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes; therefore, the interest on the Series 2015 A Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2015 A Bonds.

6. The Series 2015 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2015 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holder of the Series 2015 A Bonds and the enforceability of the Series 2015 A Bonds, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



STEPTOE & JOHNSON PLLC

351300.00005

¹ The Series 2009 B Bonds were technically issued on a parity; however, the Series 2009 B Bonds are forgivable quarterly until maturity of March 1, 2021.



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Writer's Contact Information

May 15, 2015

Town of Grantsville
Sewer Revenue Bonds, Series 2015 B
(United States Department of Agriculture)

Town of Grantsville
Grantsville, West Virginia

United States Department of Agriculture
Ripley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Grantsville, in Calhoun County, West Virginia (the "Issuer"), of its \$70,000 Sewer Revenue Bonds, Series 2015 B (United States Department of Agriculture), dated the date hereof (the "Series 2015 B Bonds"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on April 6, 2015 as supplemented by Supplemental Resolution duly adopted on May 8, 2015 (collectively, the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Series 2015 B Bonds, pursuant to the provisions of the Act and other applicable provisions of law.

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

3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Legislation for the security of the Series 2015 B Bonds on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 1990 (United States Department of Agriculture), dated August 22, 1990, issued in the aggregate principal amount of \$69,000; (the Series 1990 Bonds"); (ii) Sewer Revenue Bonds, Series

2009 A (West Virginia SRF Program), dated November 12, 2009, issued in the original aggregate principal amount of \$343,361 (the "Series 2009 A Bonds"); (iii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated November 12, 2009, issued in the original aggregate principal amount of \$2,200,300 (the "Series 2009 B Bonds")¹, (collectively, the "Prior Bonds"); and (iv) Sewer Revenue Bonds, Series 2015 A (United States Department of Agriculture), dated May 15, 2015, issued simultaneously herewith in the aggregate principal amount of \$240,000 (the "Series 2015 A Bonds"). Other than the Prior Bonds and Series 2015 A Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2015 B Bonds as to liens, pledge and/or source of and security for payment.

4. The Series 2015 B Bonds have been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Series 2015 B Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes; therefore, the interest on the Series 2015 B Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2015 B Bonds.

6. The Series 2015 B Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2015 B Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holder of the Series 2015 B Bonds and the enforceability of the Series 2015 B Bonds, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



STEPTOE & JOHNSON PLLC

351300.00005

¹ The Series 2009 B Bonds were technically issued on a parity; however, the Series 2009 B Bonds are forgivable quarterly until maturity of March 1, 2021.

WV MUNICIPAL BOND COMMISSION

900 Pennsylvania Ave
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 05/15/15

ISSUE: Town of Grantsville
Sewer Revenue Bonds, Series 2015 A (United States Department of Agriculture)

ADDRESS: 100 Court Street, Grantsville, WV 26147 COUNTY: Calhoun

PURPOSE OF ISSUE:

New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 05/15/15

CLOSING DATE: 05/15/15

ISSUE AMOUNT: \$240,000

RATE: 2.125%

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE NA

1ST DEBT SERVICE AMOUNT NA

PAYING AGENT: Issuer

BOND COUNSEL:

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

UNDERWRITERS COUNSEL

Firm:
Contact:
Phone:

CLOSING BANK:

Bank: Calhoun Banks
Contact: Lisa
Phone: 304.354.6106

ESCROW TRUSTEE:

Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT

Contact: Helen Johnson
Position: Recorder
Phone: 304.354.7500

OTHER:

Agency: United States Department of Agriculture
Contact: Virginia McDonald
Position: Area Specialist
Phone: 304.372.6231 x 4

DEPOSITS TO MBC AT CLOSE

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

REFUNDS & TRANSFERS BY MBC AT CLOSE

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

NOTES: Monthly debt service payments will be made by the Issuer directly to the National Finance Office.
 The Municipal Bond Commission will only hold the Series 2015 A Reserve Account. Payments into the
 Series 2015 A Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

WV MUNICIPAL BOND COMMISSION

900 Pennsylvania Ave
 Suite 1117
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 05/15/15

ISSUE: <u>Town of Grantsville</u>	
<u>Sewer Revenue Bonds, Series 2015 B (United States Department of Agriculture)</u>	
ADDRESS: <u>100 Court Street, Grantsville, WV 26147</u>	COUNTY: <u>Calhoun</u>
PURPOSE OF ISSUE:	
New Money: <u> x </u>	REFUNDS ISSUE(S) DATED: <u> NA </u>
Refunding: <u> </u>	
ISSUE DATE: <u>05/15/15</u>	CLOSING DATE: <u>05/15/15</u>
ISSUE AMOUNT: <u>\$70,000</u>	RATE: <u>2.125%</u>
1ST DEBT SERVICE DUE: <u>NA</u>	1ST PRINCIPAL DUE <u>NA</u>
1ST DEBT SERVICE AMOUNT <u>NA</u>	PAYING AGENT: <u>Issuer</u>

BOND COUNSEL: Firm: <u>Step toe & Johnson PLLC</u> Contact <u>John Stump, Esquire</u> Phone: <u>(304) 353.8196</u>	UNDERWRITERS COUNSEL Firm: _____ Contact: _____ Phone: _____
CLOSING BANK: Bank: <u>Calhoun Banks</u> Contact: <u>Lisa</u> Phone: <u>304.354.6106</u>	ESCROW TRUSTEE: Firm: _____ Contact: _____ Phone: _____
KNOWLEDGEABLE ISSUER CONTACT Contact: <u>Helen Johnson</u> Position: <u>Recorder</u> Phone: <u>304.354.7500</u>	OTHER: Agency: <u>United States Department of Agriculture</u> Contact: <u>Virginia McDonald</u> Position: <u>Area Specialist</u> Phone: <u>304.372.6231 x 4</u>

DEPOSITS TO MBC AT CLOSE			
By:	<u> </u> Wire	Accrued Interest:	\$ _____
	<u> </u> Check	Capitalized Interest:	\$ _____
		Reserve Account:	\$ _____
		Other:	\$ _____
		Other:	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE			
By:	<u> </u> Wire	To Escrow Trustee	\$ _____
	<u> </u> Check	To Issuer	\$ _____
	<u> </u> IGT	To Cons. Invest. Fun:	\$ _____
		To Other:	\$ _____

NOTES: Monthly debt service payments will be made by the Issuer directly to the National Finance Office.
The Municipal Bond Commission will only hold the Series 2015 B Reserve Account. Payments into the
Series 2015 B Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
 DOCUMENTS REQUIRED: _____
 TRANSFERS REQUIRED: _____

SWEEP RESOLUTION

WHEREAS, the Town of Grantsville (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 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;

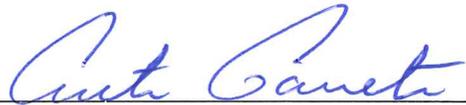
WHEREAS, Pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

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.

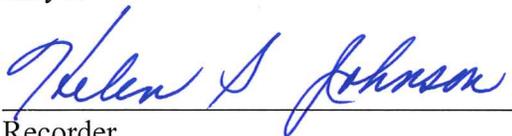
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 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 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 8th day of May, 2015.



Mayor



Recorder