

**TOWN OF GRANT TOWN**

**Water Revenue Bonds, Series 2010 A**  
**(West Virginia Infrastructure Fund)**

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**TOWN OF GRANT TOWN**

**WATER REVENUE BONDS, SERIES 2010 A  
(WEST VIRGINIA INFRASTRUCTURE FUND)**

**BOND ORDINANCE**

Ordinance No. 09-03

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**TOWN OF GRANT TOWN**

**BOND ORDINANCE**

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2007 A BONDS, THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER SYSTEM OF THE TOWN OF GRANT TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

**ARTICLE I**

**STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

Section 1.01. Authority. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation"), is enacted pursuant to the provisions of Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public water system (the "System"). However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the System of the Issuer, consisting of installation of water line in various diameters including an extension to the Panther Lick Run and Morris Siding areas, rehabilitating a booster station, together with all

appurtenant facilities (collectively, the "Project"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of the Waterworks System Design Revenue Bonds, Series 2007 A, (West Virginia Infrastructure Fund), dated December 20, 2007, issued in the original aggregate principal amount of \$147,560 (the "Series 2007 A Bonds").

D. The Series 2007 A Bonds were issued pursuant to an ordinance of the Issuer previously enacted for such purpose (such ordinance and resolutions, as amended and supplemented are herein called the "Series 2007 A Bond Ordinance").

E. It is deemed necessary and desirable for the Issuer to pay the Series 2007 A Bonds with the proceeds of the Series 2010 A Bonds.

F. The Issuer intends to pay the Series 2007 A Bonds and permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council").

G. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than \$2,000,000 (the "Series 2010 A Bonds"), to be initially represented by a single bond, to pay the Series 2007 A Bonds, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2010 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2010 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interests of the Issuer that its Series 2010 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and

between the Issuer and the Authority on behalf of the Council, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

J. On the Closing Date, after the payment of the Series 2007 A Bonds, there will be no outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment, or are secured by revenues or assets of the System.

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

L. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means, collectively, Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2010 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

“Bonds” means the Series 2010 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

“Closing Date” means the date upon which there is an exchange of the Series 2010 A Bonds for all or a portion of the proceeds of the Series 2010 A Bonds from the Authority.

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

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

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

“Costs” or “Costs of the Project” means those costs described in Section 1.02D hereof to be a part of the cost of acquisition and construction of the Project.

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

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

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

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

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

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

“Grant” means any grants committed for the Project.

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

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

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

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

“Loan Agreement” means the loan agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority on behalf of the Council, providing for the purchase of the Series 2010 A Bonds, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2010 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2010 A Bonds Reserve Account.

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

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

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

cancelled by the Bond Registrar, at or prior to said date; (ii) any Bond for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bond registered to the Issuer.

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

“Paying Agent” means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2010 A Bonds by the Issuer in the Supplemental Resolution with the written consent of the Authority and the Council.

“Project” means the Project as described in Section 1.02B hereof.

“Qualified Investments” means and includes any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

“Recorder” means the Recorder of the Issuer.

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

“Registrar” means the Bond Registrar.

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

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

“Reserve Accounts” means the respective Reserve Accounts established for the Series 2010 A Bonds.

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

“Revenue Fund” means the Revenue Fund established pursuant to Section 5.01 hereof.

“Series 2007 A Bonds” means the Waterworks System Design Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated December 20, 2007, issued in the original aggregate principal amount of \$147,560.

“Series 2007 A Bonds Ordinance” means the ordinance, as supplemented, authorizing the Series 2007 A Bonds.

“Series 2010 A Bonds” means the Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

“Series 2010 A Bonds Construction Trust Fund” means the Series 2010 A Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2010 A Bonds Reserve Account” means the Series 2010 A Bonds Reserve Account established in the Series 2010 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2010 A Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

“Series 2010 A Bonds Sinking Fund” means the Series 2010 A Bonds Sinking Fund established by Section 5.02 hereof.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2010 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 A Bonds, and not so included may be included in another Supplemental Resolution.

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

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

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

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

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

## ARTICLE II

### **AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE SERIES 2007 A BONDS**

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed \$3,500,000 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 2010 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

The estimated maximum cost of the Project is \$3,500,000 of which an amount not to exceed \$2,000,000 will be obtained from the proceeds of sale of the Series 2010 A Bonds herein authorized; and \$1,500,000 will be obtained from a Small Cities Block Grant.

Section 2.02 Authorization of Payment of Series 2007 A Bonds. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and the interest on the Series 2007 A Bonds on the Closing Date. The cost of which will be paid from proceeds of the Series 2010 A Bonds. Upon payment in full of the Series 2007 A Bonds, any funds pledged in favor of the holders of the Series 2007 A Bonds imposed by the Series 2007 A Bonds Ordinances are hereby ordered terminated, discharged and released.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2010 A Bonds of the Issuer. The Series 2010 A Bonds shall be issued as a single bond, designated “Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund)”, in the principal amount of not more than \$2,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 A Bonds remaining after funding of the Series 2010 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the

Series 2010 A Bonds, if any, shall be deposited in or credited to the Series 2010 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2010 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2010 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 2010 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2010 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2010 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2010 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be

necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2010 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2010 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2010 A Bonds or transferring the registered Series 2010 A Bonds are exercised, all Series 2010 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2010 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2010 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 A Bonds or, in the case of any proposed redemption of Series 2010 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of all Series 2010 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System. The Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2010 A Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2010 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2010 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2010 A Bonds.

Section 3.10. Form of Series 2010 A Bonds. The text of the Series 2010 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2010 A BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF GRANT TOWN  
WATER REVENUE BONDS, SERIES 2010 A  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

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

KNOW ALL MEN BY THESE PRESENTS: That on this \_\_\_ day of \_\_\_\_\_, 2010, the TOWN OF GRANT TOWN, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_\_, to and including \_\_\_\_\_ 1, 20\_\_\_\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority on behalf of the Council, dated \_\_\_\_\_, 2010.

This Bond is issued (i) to pay the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds"); (ii) to pay the costs of

acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks system of the Issuer (the "Project"); (iii) to fund the Series 2010 A Bonds Reserve Account; and (iv) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on \_\_\_\_\_, 2010, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

**THE ISSUER HAS NO BONDS OR OBLIGATIONS OTHER THAN THIS BOND WHICH IS SECURED BY GROSS REVENUES OF THE SYSTEM.**

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, and to provide for the reasonable expenses of operation, repair and maintenance of the System, and; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with, or subordinate to, the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: \_\_\_\_\_, 2010.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

\_\_\_\_\_  
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

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

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2010 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as “Exhibit A” and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement and all schedules and exhibits attached thereto are hereby approved and ratified and incorporated into this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2010 A Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

#### **ARTICLE IV**

**[RESERVED]**

#### **ARTICLE V**

### **FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

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

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2010 A Bonds Construction Trust Fund.

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

- (1) Series 2010 A Bonds Sinking Fund; and
- (2) Series 2010 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2010 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A Bonds Reserve Requirement.

(3) The Issuer shall next, on the first day of each month, pay from the Revenue Fund the Operating Expenses of the System.

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

deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2010 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2010 A Bonds as the same shall become due. Monies in the Series 2010 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2010 A Bonds as the same shall come due, when other monies in the Series 2010 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2010 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2010 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2010 A Bonds Reserve Account which result in a reduction in the balance of the Series 2010 A Bonds Reserve Account to below the Series 2010 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2010 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Sinking Fund, or the Series 2010 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2010 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

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

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2010 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

## ARTICLE VI

### **APPLICATION OF BOND PROCEEDS**

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds.  
From the monies received from the sale of the Series 2010 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2010 A Bonds for the period commencing on the date of issuance of the Series 2010 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission in the Series 2010 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 A Bonds Reserve Account.

C. Next from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission an amount as set forth in Supplemental Resolution an amount sufficient to pay in full the outstanding principal of, and interest on the Series 2007 A Bonds on the Closing Date.

D. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 A Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 A Bonds shall be expended as directed by the Council.

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

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2010 A Bonds from the Series 2010 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by an Authorized Officer stating that:

- (1) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (2) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (3) Each of such costs has been otherwise properly incurred; and
- (4) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2010 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2010 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer, if applicable.

## ARTICLE VII

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

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 2010 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System. The Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2010 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on June 15, 2009 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2010 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2010 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2010 A Bonds, immediately be remitted to the Commission for deposit in the Series 2010 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to immediately apply such proceeds to the payment of principal of and interest on the Series 2010 A Bonds. Any balance remaining after the payment of all the Series 2010 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2010 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2010 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2010 A Bonds, upon any of the income and revenues of the System pledged for payment of the Series 2010 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2010 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding any outstanding Bonds, or both such purposes.

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

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

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

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

All covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2010 A Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any bond of one series over any other bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and account created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to this Ordinance.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2010 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Series 2010 A Bonds.

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

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

The Issuer shall permit the Authority and the Council or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Council and the Authority, or any other original purchaser of the Series 2010 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2010 A Bonds, requesting the same, an annual report containing the following:

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2010 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the

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

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2010 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 A Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Series 2010 A Bonds Reserve Account and any reserve accounts for obligations on a parity with, or subordinate to, are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the

System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the Council or to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

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

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

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2010 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

- (1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and

Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to

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

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2010 A Bonds required by State law, with all appeal periods having expired without successful appeal and provide an opinion of counsel to the Issuer to such effect.

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

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

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2010 A Bonds.

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

Section 7.21. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2010 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2010 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2010 A Bonds made available due to bid or construction or project underruns.

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

## ARTICLE VIII

### INVESTMENT OF FUNDS

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

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

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

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel

relating to restrictions on the use of proceeds of the Series 2010 A Bonds as a condition to issuance of the Series 2010 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to maintain the status of the Series 2010 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2010 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2010 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2010 A Bonds and any additional information requested by the Authority.

## **ARTICLE IX**

### **DEFAULT AND REMEDIES**

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2010 A Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its respective part relating to the Series 2010 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2010 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2010 A Bonds 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 2010 A 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 2010 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2010 A Bonds, or the rights of such Registered Owners.

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

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

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

Such receiver, in the performance of the powers 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.

## ARTICLE X

### PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2010 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2010 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2010 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2010 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2010 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2010 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2010 A Bonds.

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

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

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Times West Virginian*, a newspaper published and of general circulation in the Town of Grant Town, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

Passed on First Reading: April 19, 2010

Passed on Second Reading: May 3, 2010

Passed on Final Reading  
Following Public Hearing: May 17, 2010

  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF GRANT TOWN on the 17th day of May, 2010.

Dated: July 20, 2010.

[SEAL]

  
\_\_\_\_\_  
Recorder

351060.00002

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF GRANT TOWN; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING A BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Grant Town (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective May 17, 2010 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2007 A BONDS, THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER SYSTEM OF THE TOWN OF GRANT TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed \$2,000,000 (the "Bonds" or the "Series 2010 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,610,000. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2050, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012, to and including June 1, 2050, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants

and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

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

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

Section 7. Series 2010 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2010 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2010 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2010 A Bonds Reserve Account.

Section 9. Series 2010 A Bonds proceeds in the amount of \$130,247.27 shall be deposited with the Commission to pay the outstanding principal balance of and all accrued interest on the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A (the "Series 2007 A Bonds") at Closing.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2010 A Bonds Construction Trust Fund as received from the Council from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about July 20, 2010, to the Authority pursuant to the Loan Agreement.

Section 12. The payment of the Series 2007 A Bonds and the acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2010 A Bonds Sinking Fund, including the Series 2010 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 12th day of July, 2010.

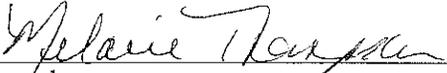
  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Grant Town on the 12th day of July, 2010.

Dated: July 20, 2010.

[SEAL]

  
Recorder

02.23.10  
351060.00002

LOAN AGREEMENT

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

TOWN OF GRANT TOWN  
(2003W-720)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

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

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

## ARTICLE I

### Definitions

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

### The Project and the System

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

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

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

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

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

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

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

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

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

(100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

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

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

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

### ARTICLE III

#### Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and

the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

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

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

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

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin,

sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

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

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

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

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

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

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the

Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

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

## ARTICLE V

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

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

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

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

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

## ARTICLE VI

### Other Agreements of the Governmental Agency

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

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

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

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

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

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

A handwritten signature in blue ink, appearing to be a stylized name, is located below the list of termination conditions.

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

TOWN OF GRANT TOWN

(SEAL)

Attest:

Mailee Thompson  
Its: Recorder

By: Robert Sepp  
Its: Mayor  
Date: July 20, 2010

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Carol A. Cummings  
Its: Secretary-Treasurer

By: [Signature]  
Its: Executive Director  
Date: July 20, 2010

{C1821004.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

\_\_\_\_\_  
(Issuer)

\_\_\_\_\_  
(Name of Bonds)

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

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

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

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

<sup>1</sup>If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of \_\_\_\_\_,

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

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

[SEAL]

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

---

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

We are bond counsel to \_\_\_\_\_ (the  
“Governmental Agency”), a \_\_\_\_\_.

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

\_\_\_\_\_  
 Name of Person Completing Form

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 Telephone

## INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$

Principal \$

Total: \$

Reserve Account: \$

Witness my signature this \_\_\_\_ day of \_\_\_\_\_.

[Name of Governmental Agency]

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

Enclosure: copy of check(s)

## SCHEDULE X

### DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$1,610,000

Purchase Price of Local Bonds \$1,610,000

The Local Bonds shall bear no interest. Commencing March 1, 2012, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency: none.

Number of New Customers to Be Served: 16

Location: Panther Lick Run Road area.



Town of Grant Town			
IF			
0% Interest Rate			
40 Years from Closing Date			
Period Ending	Principal	Interest	Debt Service
12/1/22	10,455		10,455
3/1/23	10,455		10,455
6/1/23	10,455		10,455
9/1/23	10,455		10,455
12/1/23	10,455		10,455
3/1/24	10,455		10,455
6/1/24	10,455		10,455
9/1/24	10,455		10,455
12/1/24	10,455		10,455
3/1/25	10,455		10,455
6/1/25	10,455		10,455
9/1/25	10,455		10,455
12/1/25	10,455		10,455
3/1/26	10,455		10,455
6/1/26	10,455		10,455
9/1/26	10,455		10,455
12/1/26	10,455		10,455
3/1/27	10,455		10,455
6/1/27	10,455		10,455
9/1/27	10,455		10,455
12/1/27	10,455		10,455
3/1/28	10,455		10,455
6/1/28	10,455		10,455
9/1/28	10,455		10,455
12/1/28	10,455		10,455
3/1/29	10,455		10,455
6/1/29	10,455		10,455
9/1/29	10,455		10,455
12/1/29	10,455		10,455
3/1/30	10,455		10,455
6/1/30	10,455		10,455
9/1/30	10,455		10,455
12/1/30	10,455		10,455
3/1/31	10,455		10,455
6/1/31	10,455		10,455
9/1/31	10,455		10,455
12/1/31	10,455		10,455
3/1/32	10,455		10,455
6/1/32	10,455		10,455
9/1/32	10,455		10,455
12/1/32	10,454		10,454
3/1/33	10,454		10,454
6/1/33	10,454		10,454
9/1/33	10,454		10,454
12/1/33	10,454		10,454
3/1/34	10,454		10,454
6/1/34	10,454		10,454
9/1/34	10,454		10,454

Town of Grant Town			
IF			
0% Interest Rate			
40 Years from Closing Date			
Period Ending	Principal	Interest	Debt Service
12/1/34	10,454		10,454
3/1/35	10,454		10,454
6/1/35	10,454		10,454
9/1/35	10,454		10,454
12/1/35	10,454		10,454
3/1/36	10,454		10,454
6/1/36	10,454		10,454
9/1/36	10,454		10,454
12/1/36	10,454		10,454
3/1/37	10,454		10,454
6/1/37	10,454		10,454
9/1/37	10,454		10,454
12/1/37	10,454		10,454
3/1/38	10,454		10,454
6/1/38	10,454		10,454
9/1/38	10,454		10,454
12/1/38	10,454		10,454
3/1/39	10,454		10,454
6/1/39	10,454		10,454
9/1/39	10,454		10,454
12/1/39	10,454		10,454
3/1/40	10,454		10,454
6/1/40	10,454		10,454
9/1/40	10,454		10,454
12/1/40	10,454		10,454
3/1/41	10,454		10,454
6/1/41	10,454		10,454
9/1/41	10,454		10,454
12/1/41	10,454		10,454
3/1/42	10,454		10,454
6/1/42	10,454		10,454
9/1/42	10,454		10,454
12/1/42	10,454		10,454
3/1/43	10,454		10,454
6/1/43	10,454		10,454
9/1/43	10,454		10,454
12/1/43	10,454		10,454
3/1/44	10,454		10,454
6/1/44	10,454		10,454
9/1/44	10,454		10,454
12/1/44	10,454		10,454
3/1/45	10,454		10,454
6/1/45	10,454		10,454
9/1/45	10,454		10,454
12/1/45	10,454		10,454
3/1/46	10,454		10,454
6/1/46	10,454		10,454
9/1/46	10,454		10,454



SCHEDULE Z

None.



PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Issued: July 16, 2009

FINAL

8/5/2009

CASE NO. 09-0149-W-CN

GRANT TOWN WATER DEPARTMENT,  
a municipal utility, Fairmont, Marion County.  
Application for a certificate of convenience and  
necessity to construct water system improvements.

RECOMMENDED DECISION

On February 5, 2009, the Grant Town Water Department ("Town") filed with the Public Service Commission ("Commission"), pursuant to W.Va. Code §24-2-11, an application for a certificate of convenience and necessity to construct additions and improvements to its water system. The application stated that the project is estimated to cost \$3,105,601.42, and will be funded by a \$1,500,000 Small Cities Block Grant and a \$1,610,000 loan from the West Virginia Infrastructure and Jobs Development Council ("WVIJDC").

On February 19, 2009, the Commission directed the Town to publish in Marion County a Notice of Filing, which provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On March 4, 2009, by Order, the Commission referred this matter to the Division of Administrative Law Judges ("ALJ Division") for decision no later than September 16, 2009, if a timely protest was received, and no later than July 3, 2009, if no such protest was filed.

On March 17, 2009, the Town filed a permit for the project, Permit No. 18,259, which had been issued by the State of West Virginia Office of Environmental Health Services on March 12, 2009. Also filed was a letter from the Governor awarding the \$1,500,000 grant.

On March 26, 2009, the Town filed an affidavit of publication of the Notice of Filing on March 13, 2009, in the Times West Virginian, published in Marion County.

On May 6, 2009, the Town filed the commitment letter from the WVIJDC, awarding the \$1,610,000 loan, payable over 40 years at 0% interest.

On May 11, 2009, the Town filed with the Commission a request for a thirty-day extension of the deadline for issuance of the ALJ recommended decision, which was granted on May 13, 2009, by Commission Order. The due date in effect because there had been no protest, July 3, 2009, was extended until August 3, 2009.

On July 2, 2009, the Final Joint Staff Memorandum from Staff Attorney Chris Howard, and an attached memorandum from Lisa Bailey, of the Engineering Division, and Troy Eggleton, of the Water and Wastewater Division, were filed. The memoranda included the following: The Town purchases its water from the City of Fairmont and serves approximately 500 customers. The system, which was built in 1953 and upgraded in 1991 and 1994, consists of two storage tanks, one booster station, and approximately 53,000 linear feet of distribution lines, approximately half of which are made of cast iron and galvanized steel. The unaccounted-for water rate is too high, at 20%; the water quality is poor; some of the fire hydrants and valves have deteriorated; the interior plumbing of the booster station has corroded; and the telemetry system does not operate properly. The project, which will be completed pursuant to four contracts, involves installing approximately 51,600 linear feet of water line of various diameters, including an extension to the Panther Lick Run and Morris Siding areas of the Town's service area, which will add approximately 26 new customers to the Town's customer base; rehabilitating the booster station; sandblasting and painting the Town's 200,000-gallon storage tank; and installing new telemetry. Staff concluded that the improvements will alleviate the water system's problems, reducing water loss and providing adequate and reliable water for the Town's customers, and, therefore, are needed to enhance the public safety and positively impact the long-term viability of the area. The City of Fairmont provides an adequate water supply for the addition of the new customers; the project costs, including the estimated construction cost of \$2,547,606, are reasonable; and the Town's rates, which became effective in 2008, are adequate to service the loan. Staff, accordingly, recommended that the project and its funding be approved, contingent upon receipt and filing of a West Virginia Department of Highways permit, a Public Lands Corporation permit, a CSX permit, and a West Virginia Division of Environmental Protection erosion and sediment control permit.

#### FINDINGS OF FACT

1. On February 5, 2009, the Grant Town Water Department filed with the Public Service Commission an application for a certificate of convenience and necessity to construct additions and improvements to its water system. (See filing).
2. The Notice of Filing was published on March 13, 2009, in the Times West Virginian, published in Marion County, and no protest was filed. (See filing of March 26, 2009; Commission file).

3. The Town's water system presently suffers from the following problems: an unaccounted-for water rate of 20%, poor water quality, deteriorated fire hydrants and valves, corroded inner plumbing of the booster station, and failing telemetry. The project, which will be completed pursuant to four contracts, involves installing approximately 51,600 linear feet of water line of various diameters, including an extension to the Panther Lick Run and Morris Siding areas of the Town's service area, which will add approximately 26 new customers to the Town's customer base; rehabilitating the booster station; sandblasting and painting the Town's 200,000-gallon storage tank; and installing new telemetry. The project should alleviate the system's problems and provide water service in an area presently receiving none. (See Final Joint Staff Memorandum filed July 2, 2009).

4. On March 12, 2009, the State of West Virginia Office of Environmental Health Services issued a permit for the project, Permit No. 18,259. Outstanding are a West Virginia Department of Highways permit, a Public Lands Corporation permit, a CSX permit, and a West Virginia Division of Environmental Protection erosion and sediment control permit. (See filing of March 17, 2009; Final Joint Staff Memorandum).

5. The project is estimated to cost \$3,105,601.42, which includes an estimated construction cost of \$2,547,606. (See application; Final Joint Staff Memorandum).

6. The project has been approved by the West Virginia Infrastructure Jobs Development Council and will be funded by a \$1,500,000 Small Cities Block Grant and a \$1,610,000 loan from WVJDC, payable over forty years at 0% interest. The funding has been committed. (See application; filings of March 17 and May 6, 2009; Final Joint Staff Memorandum).

7. The Town's present rates will be adequate to cover the costs of the project and the City of Fairmont, from which the Town purchases its water, has an adequate water supply to provide water to the customers who will be added to the Town's customer base by the project. (See Final Joint Staff Memorandum).

8. Staff recommended that the application be granted and the project approved, contingent upon the receipt and filing of the outstanding permits prior to beginning construction. Staff also recommended that the funding be approved. (See Final Joint Staff Memorandum).

#### CONCLUSIONS OF LAW

1. It is appropriate to grant the application, pursuant to W.Va. Code §24-2-11, and to approve the project, contingent upon receipt of the outstanding permits, because the public convenience and necessity require it and no protest to it was filed.

2. It is appropriate to approve the project's financing.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on February 5, 2009, by the Grant Town Water Department for a certificate of convenience and necessity to construct improvements and an extension to its water system is granted and the project is approved, contingent upon the Town's receipt and filing of the outstanding permits stated in Finding of Fact 4. The Town may not commence construction until all outstanding permits have been filed with the Commission.

IT IS FURTHER ORDERED that the funding for the project, consisting of a \$1,500,000 Small Cities Block Grant and a \$1,610,000 loan from The West Virginia Infrastructure and Jobs Development Council, payable over forty years at 0% interest, is approved.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at \$3,105,601.42, which affects rates, or in the scope, design or funding of the project, the Grant Town Water Department file a petition with the Commission for approval of such revisions.

IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, the Grant Town Water Department file herein an affidavit duly executed by its accountant verifying that the Town's rates and charges are not affected.

IT IS FURTHER ORDERED that the Grant Town Water Department comply with all rules and regulations of the Division of Highways regarding the use of its rights-of-way.

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

IT IS FURTHER ORDERED that the Grant Town Water Department notify the Commission when its engineer has performed the substantial completion inspection and file the certificate of substantial completion as soon as it is received.

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

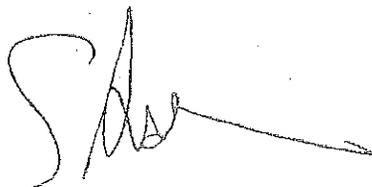
IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary within fifteen (15) days of the date this order is mailed. If exceptions are filed,

the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

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

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

A handwritten signature in black ink, appearing to read 'Sunya Anderson', with a long horizontal stroke extending to the right.

Sunya Anderson  
Administrative Law Judge

SA:s  
090149a.wpd

**AFFIDAVIT OF PUBLICATION**

008934

State of West Virginia

County of Marion, to wit:

I, Becky A. Miller, being first duly sworn upon my oath,

do dispose and say that I am Lead Clerk of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMESWEST VIRGINIAN** an independent newspaper:

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

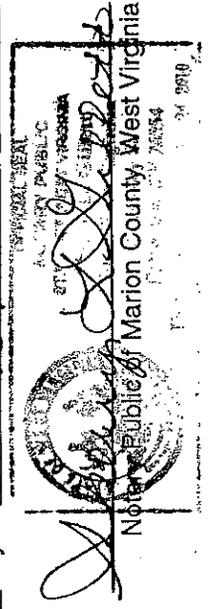
that the annexed notice of Filing was duly published in said newspaper once day for 1 successive day (Class I), commencing with the issue of the 13 day of March, 2009, and ending with the issue of the 3 day of March, 2009, and was posted at the front door of the Marion County Courthouse on the 3 day of March, 2009; that said annexed notice was published on the following dates: March 3, 2009

and the cost of publishing said annexed notice as aforesaid was \$ 207.01 Becky A. Miller

Taken, subscribed and sworn to before me in said county this 23 day of March, 2009

My commission expires Jan 24, 2010

RECEIVED  
2009 MAR 28 AM 8 42  
WVA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE



Legals	Legals
month	should be addressed to Sandra Squibb, Executive Secretary, P. O. Box 312, Charleston, West Virginia 25323.
<b>FIRE HYDRANTS.</b> Fire hydrants inside public corporate limits shall cost \$90.00 per year by hydrant.	<b>IT IS FURTHER ORDERED</b> that if no protests are received within said thirty-day period, the Commission may, without formal hearing and grant the application based on the evidence submitted with said application and its review thereof.
<b>TAP FEE.</b> For the cost of making new taps there shall be a tapping charge of \$250.00. To replace of meter or re-activate existing service, this charge shall be \$25.00.	A True Copy Testator: Sandra Squibb, Executive Secretary March 3, 2009
<b>DELAYED PAYMENT PENALTIES.</b>	

**PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, CHARLESTON.**  
Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 19th day of February 2009.

CASE NO. 09-0149-W.G. GRANT TOWN WATER DEPARTMENT, Post Office Box 40, Grant Town, WV 26674.  
Application for a certificate of convenience and necessity to construct water system improvements.

**NOTICE OF FILING.**  
On February 18, 2009, Grant Town Water Department filed an application duly verified for a certificate to construct certain additions and improvements to the town's water system in Marion County. The application is available for public inspection at the Public Service Commission, 201 Brooks Street, Charleston, West Virginia. The Town estimates that construction will cost approximately \$3,105,671.42. It is proposed that the construction will be financed as follows: West Virginia Small Cities Block Grant in the amount of \$1,000,000.00 and a loan from the West Virginia Infrastructure and Jobs Development Council in the amount of \$1,810,000.00. The Town anticipates charging the following monthly rates for its customers:

**MONTHLY RATES.**  
First 2,000 gallons used per month \$10.28 per 1,000 gallons.  
Next 3,000 gallons used per month \$ 7.63 per 1,000 gallons.  
Next 5,000 gallons used per month \$ 5.80 per 1,000 gallons.  
Over 10,000 gallons used per month \$5.15 per 1,000 gallons.  
Water for resale \$2.94 per 1,000 gallons.

**MINIMUM CHARGE.**  
No bill will be rendered for less than the following amounts, according to the size of the meter installed:  
5/8 inch meter \$20.86 per month.  
1 inch meter \$30.84 per month.  
1 1/2 inch meter \$51.40 per month.  
2 inch meter \$102.80 per month.  
3 inch meter \$164.48 per month.  
4 inch meter \$308.40 per month.  
6 inch meter \$514.00 per month.

On the above billings, the public utility bills are due within thirty days. Payment will be made to the net current amount due. This payment penalty is not interest and is to be collected only once per bill where it is appropriate.

Meter will be removed after 30 days following written notice to a customer that his account is more than five days delinquent. A bill will be considered delinquent when it is thirty-one days past the billing date.

The rates set forth herein represent no need for a rate increase to fund and service the debt related to the applicant's proposed water improvement project. Please refer to the application and exhibits thereto for further information.

The rates set forth herein represent no need for a rate increase to fund and service the debt related to the applicant's proposed water improvement project. Please refer to the application and exhibits thereto for further information.

The requested rates and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of this filing.

Pursuant to W. Va. Code §24-2-1, IT IS ORDERED that the Grant Town Water Department give notice of the filing of said application by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Marion County making due return to the Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or petition of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. Requests to intervene must comply with the Commission's rules on intervention set forth by the Commission's Rules on Practice and Procedure. All protests and interven-

# West Virginia Infrastructure & Jobs Development Council

Public Members:  
Kenneth Lowe, Jr.  
Shepherdstown  
Dwight Calhoun  
Petersburg  
Dave McComas  
Prichard  
Ron Justice  
Morgantown

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

Jefferson E. Brady, PE  
Executive Director

Jefferson.Brady@verizon.net

July 17, 2008

The Honorable Robert Riggs, Jr.  
Mayor, Town of Grant Town  
P.O. Box 40  
Grant Town, West Virginia 26574

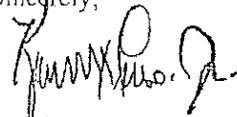
Re: Town of Grant Town  
Water Project 2003W-720

Dear Mayor Riggs:

The West Virginia Infrastructure and Jobs Development Council, at its July 9, 2008 meeting, determined that the Town of Grant Town (the "Town") should utilize a \$1,500,000 Small Cities Block Grant and voted to offer a binding commitment for an Infrastructure Fund loan of \$1,610,000 (0%, 40 years) to finance this \$3,110,000 project. This project consists of replacing the existing cast iron and galvanized water lines, valves, fire hydrants, including reconnections of service lines; cleaning and painting the water storage tank, and three water line extensions to serve 26 new customers.

In order to receive the proposed binding commitment the Town must adhere to a certain project schedule. Please contact Jeff Brady at 558-4607 by August 29, 2008 to establish the necessary schedule and finalize the proposed binding commitment.

Sincerely,



Kenneth Lowe, Jr.

cc: Bob DeCrease, BPH  
Debbie Legg, WVDO  
Region VI Planning & Development Council  
Scott Cain, Greenhome & O'Mara, Inc.

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 20th day of July, 2010, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Grant Town (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the entire original issue of \$1,610,000 principal amount of the Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated July 20, 2010.
2. At the time of such receipt of the Bonds upon original issuance, the Bonds had been executed by the Mayor and the Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of \$329,520.95, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By: Carol A. Cummings  
Its: Authorized Representative

TOWN OF GRANT TOWN

By: Robert Lopez  
Its: Mayor

02.23.10  
351060.00002

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 20th day of July, 2010, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Town of Grant Town Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), in the principal amount of \$1,610,000, dated July 20, 2010 (the "Bonds"), executed by the Mayor and the Recorder of the Town of Grant Town (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on May 17, 2010, and a Supplemental Resolution duly adopted by the Issuer on July 12, 2010 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated July 20, 2010 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council; and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$329,520.95, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the date first written above.

TOWN OF GRANT TOWN

By:   
Its: Mayor

02.23.10  
351060.00002

# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF GRANT TOWN  
WATER REVENUE BONDS, SERIES 2010 A  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$1,610,000

KNOW ALL MEN BY THESE PRESENTS: That on this 20th day of July, 2010, the TOWN OF GRANT TOWN, a municipal corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION SIX HUNDRED TEN THOUSAND DOLLARS (\$1,610,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012, to and including June 1, 2050, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority on behalf of the Council, dated July 20, 2010.

This Bond is issued (i) to pay the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds"); (ii) to pay the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on May 17, 2010, and a Supplemental Resolution duly adopted by the Issuer on July 12, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would

be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THE ISSUER HAS NO BONDS OR OBLIGATIONS OTHER THAN THIS BOND WHICH IS SECURED BY GROSS REVENUES OF THE SYSTEM.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, and to provide for the reasonable expenses of operation, repair and maintenance of the System, and; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with, or subordinate to, the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

*[Handwritten Signature]*  
\_\_\_\_\_  
Mayor

ATTEST:

*[Handwritten Signature]*  
\_\_\_\_\_  
Recorder

**SPECIMEN**

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: July 20, 2010.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

  
\_\_\_\_\_  
Authorized Officer

**SPECIMEN**

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$329,520.95	July 20, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

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

EXHIBIT B

DEBT SERVICE SCHEDULE

**BOND DEBT SERVICE**  
 Town of Grant Town  
 IF  
 0% Interest Rate  
 40 Years from Closing Date

Dated Date 7/20/2010  
 Delivery  
 Date 7/20/2010

Period Ending	Principal	Interest Debt Service
7/20/2010		
3/1/2012	10,455	10,455
6/1/2012	10,455	10,455
9/1/2012	10,455	10,455
12/1/2012	10,455	10,455
3/1/2013	10,455	10,455
6/1/2013	10,455	10,455
9/1/2013	10,455	10,455
12/1/2013	10,455	10,455
3/1/2014	10,455	10,455
6/1/2014	10,455	10,455
9/1/2014	10,455	10,455
12/1/2014	10,455	10,455
3/1/2015	10,455	10,455
6/1/2015	10,455	10,455
9/1/2015	10,455	10,455
12/1/2015	10,455	10,455
3/1/2016	10,455	10,455
6/1/2016	10,455	10,455
9/1/2016	10,455	10,455
12/1/2016	10,455	10,455
3/1/2017	10,455	10,455
6/1/2017	10,455	10,455
9/1/2017	10,455	10,455
12/1/2017	10,455	10,455
3/1/2018	10,455	10,455
6/1/2018	10,455	10,455
9/1/2018	10,455	10,455
12/1/2018	10,455	10,455
3/1/2019	10,455	10,455
6/1/2019	10,455	10,455
9/1/2019	10,455	10,455
12/1/2019	10,455	10,455
3/1/2020	10,455	10,455
6/1/2020	10,455	10,455
9/1/2020	10,455	10,455
12/1/2020	10,455	10,455
3/1/2021	10,455	10,455
6/1/2021	10,455	10,455
9/1/2021	10,455	10,455
12/1/2021	10,455	10,455
3/1/2022	10,455	10,455
6/1/2022	10,455	10,455
9/1/2022	10,455	10,455

BOND DEBT SERVICE  
Town of Grant Town  
IF  
0% Interest Rate  
40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2022	10,455		10,455
3/1/2023	10,455		10,455
6/1/2023	10,455		10,455
9/1/2023	10,455		10,455
12/1/2023	10,455		10,455
3/1/2024	10,455		10,455
6/1/2024	10,455		10,455
9/1/2024	10,455		10,455
12/1/2024	10,455		10,455
3/1/2025	10,455		10,455
6/1/2025	10,455		10,455
9/1/2025	10,455		10,455
12/1/2025	10,455		10,455
3/1/2026	10,455		10,455
6/1/2026	10,455		10,455
9/1/2026	10,455		10,455
12/1/2026	10,455		10,455
3/1/2027	10,455		10,455
6/1/2027	10,455		10,455
9/1/2027	10,455		10,455
12/1/2027	10,455		10,455
3/1/2028	10,455		10,455
6/1/2028	10,455		10,455
9/1/2028	10,455		10,455
12/1/2028	10,455		10,455
3/1/2029	10,455		10,455
6/1/2029	10,455		10,455
9/1/2029	10,455		10,455
12/1/2029	10,455		10,455
3/1/2030	10,455		10,455
6/1/2030	10,455		10,455
9/1/2030	10,455		10,455
12/1/2030	10,455		10,455
3/1/2031	10,455		10,455
6/1/2031	10,455		10,455
9/1/2031	10,455		10,455
12/1/2031	10,455		10,455
3/1/2032	10,455		10,455
6/1/2032	10,455		10,455
9/1/2032	10,455		10,455
12/1/2032	10,454		10,454
3/1/2033	10,454		10,454
6/1/2033	10,454		10,454
9/1/2033	10,454		10,454
12/1/2033	10,454		10,454
3/1/2034	10,454		10,454
6/1/2034	10,454		10,454
9/1/2034	10,454		10,454

BOND DEBT SERVICE  
Town of Grant Town  
IF  
0% Interest Rate  
40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2034	10,454		10,454
3/1/2035	10,454		10,454
6/1/2035	10,454		10,454
9/1/2035	10,454		10,454
12/1/2035	10,454		10,454
3/1/2036	10,454		10,454
6/1/2036	10,454		10,454
9/1/2036	10,454		10,454
12/1/2036	10,454		10,454
3/1/2037	10,454		10,454
6/1/2037	10,454		10,454
9/1/2037	10,454		10,454
12/1/2037	10,454		10,454
3/1/2038	10,454		10,454
6/1/2038	10,454		10,454
9/1/2038	10,454		10,454
12/1/2038	10,454		10,454
3/1/2039	10,454		10,454
6/1/2039	10,454		10,454
9/1/2039	10,454		10,454
12/1/2039	10,454		10,454
3/1/2040	10,454		10,454
6/1/2040	10,454		10,454
9/1/2040	10,454		10,454
12/1/2040	10,454		10,454
3/1/2041	10,454		10,454
6/1/2041	10,454		10,454
9/1/2041	10,454		10,454
12/1/2041	10,454		10,454
3/1/2042	10,454		10,454
6/1/2042	10,454		10,454
9/1/2042	10,454		10,454
12/1/2042	10,454		10,454
3/1/2043	10,454		10,454
6/1/2043	10,454		10,454
9/1/2043	10,454		10,454
12/1/2043	10,454		10,454
3/1/2044	10,454		10,454
6/1/2044	10,454		10,454
9/1/2044	10,454		10,454
12/1/2044	10,454		10,454
3/1/2045	10,454		10,454
6/1/2045	10,454		10,454
9/1/2045	10,454		10,454
12/1/2045	10,454		10,454
3/1/2046	10,454		10,454
6/1/2046	10,454		10,454
9/1/2046	10,454		10,454

Town of Grant Town  
 IF  
 0% Interest Rate  
 40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2046	10,454		10,454
3/1/2047	10,454		10,454
6/1/2047	10,454		10,454
9/1/2047	10,454		10,454
12/1/2047	10,454		10,454
3/1/2048	10,454		10,454
6/1/2048	10,454		10,454
9/1/2048	10,454		10,454
12/1/2048	10,454		10,454
3/1/2049	10,454		10,454
6/1/2049	10,454		10,454
9/1/2049	10,454		10,454
12/1/2049	10,454		10,454
3/1/2050	10,454		10,454
6/1/2050	10,455		10,455
	<b>1,610,000</b>		<b>1,610,000</b>

(Form of)

ASSIGNMENT

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

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

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

July 20, 2010

Town of Grant Town  
Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

Town of Grant Town  
Grant Town, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Grant Town (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$1,610,000 Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated July 20, 2010, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012, to and including June 1, 2050, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A; (ii) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public water system of the Issuer (the "Project"); and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on May 17, 2010, as supplemented by a Supplemental Resolution duly adopted by

the Issuer on July 12, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of the System.

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

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

7. With proceeds from the Series 2010 A Bonds, the Series 2007 A Bonds have been paid in full, and the covenants, agreements and other obligations of the Issuer to the owners of the Series 2007 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from the paying agent of the Series 2007 A Bonds that they have received payment for the entire outstanding principal of the Series 2007 A Bonds and all interest accrued thereon on the date hereof and that the Series 2007 A Bonds have been paid in full.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may

be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

  
STEPHENS & JOHNSON PLLC

02.23.10  
351060.00002

THARP, LIOTTA & YOKUM, LLP

ATTORNEYS AT LAW  
WESBANCO BANK BUILDING

FAIRMONT, WEST VIRGINIA 26555-1509

P. O. BOX 1509

J. SCOTT THARP  
KAREN M. YOKUM  
JARROD G. DEVAULT  

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JAMES A. LIOTTA (1946-2005)

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

July 20, 2010

Town of Grant Town  
Grant Town, West Virginia 26574

West Virginia Development Authority  
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council  
Charleston, West Virginia

Steptoe & Johnson PLLC  
Charleston, West Virginia

RE: Town of Grant Town  
Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

Ladies and Gentlemen:

I am counsel to the Town of Grant Town, in Marion County, West Virginia, (the "Issuer"), in connection with the above-captioned bond issue. As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a agreement dated July 20, 2010, including all schedules and exhibits attached thereto, (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Ordinance duly enacted by the Issuer on May 17, 2010, as Supplemental Resolution duly adopted by the Issuer on July 12, 2010, (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

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

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

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

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

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

6. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on July 16, 2009, which became final order on August 5, 2009, in Case No. 09-0149-W-CN, granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order remains in full force and effect.

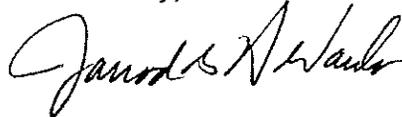
7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement,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

8. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. We have also ascertained all successful bidders have made required provisions

for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Sincerely,

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

Jarrod G. DeVault  
Tharp, Liotta & Yokum, LLP

JGD:lek  
cc: File

THARP, LIOTTA & YOKUM, LLP

ATTORNEYS AT LAW  
WESBANCO BANK BUILDING

FAIRMONT, WEST VIRGINIA 26555-1509

P. O. BOX 1509

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

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

July 20, 2010

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

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

Steptoe & Johnson PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

RE: Final Title Opinion  
Town of Grant Town  
Water System Improvement Project

Ladies and Gentlemen:

We are counsel to the Town of Grant Town (the "Issuer") in connection with a proposed project to construct and improve its existing water distribution system (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") for the Project. Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate, and maintain the Project as approved by the BPH.
2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.
3. We have investigated and ascertained the location of and are familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Greenhorne & O'Mara, Inc.

July 20, 2010

West Virginia Infrastructure and Jobs Development Council

Page 2

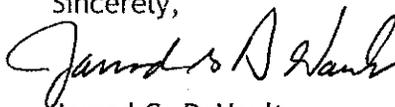
4. We have examined the records on file in the Office of the Clerk of the County Commission of Marion County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components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

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

<u>Name</u>	<u>Tax Map</u>	<u>Parcel</u>
Jones, James T.	31	26 & 27
Rush, Larry	28	3
Nickolich, Bruce & Joy	18	3.1

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

Sincerely,



Jarrod G. DeVault

JGD:lek

cc: Town of Grant Town  
Steve Cain, Greenhorne & O'Mara  
Jim Hall, Region VI Planning and Development Council  
File

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

On this 20th day of July, 2010, we, the undersigned MAYOR and RECORDER of the Town of Grant Town in Marion County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Town of Grant Town Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2010 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted May 17, 2010, and the Supplemental Resolution duly adopted July 12, 2010 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer

taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues.

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

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the loan agreement (the "Loan Agreement") entered into by and between the Issuer and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"). The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

Upon payment of the Series 2007 A Bonds, there are no outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Water Rate Ordinance

Minutes on Adoption and Enactment of Water Rate Ordinance

Affidavits of Publication of Rate Ordinance and Notice of Public Hearing

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

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

Evidence of Insurance

Bureau for Public Health Permit

Receipt and Release of Series 2007 A Bonds

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

Name	Date of Commencement of Office	Date of Termination of Office
Robert Riggs, Jr., Mayor	July 1, 2010	June 30, 2010
Melanie Thompson, Recorder	July 1, 2010	June 30, 2010
John Riley	July 1, 2010	June 30, 2010
Mary Kuretzka	July 1, 2010	June 30, 2010
Michael Jordon	July 1, 2010	June 30, 2010
Rober Tuttle	July 1, 2010	June 30, 2010
Vacant		

The duly appointed and acting Counsel to the Issuer is Tharp, Liotta & Yokum, LLP, Fairmont, West Virginia.

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

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and

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

9. **CONTRACTORS' INSURANCE, ETC.:** All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, all insurance for the System required by the Bond Legislation is in full force and effect.

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

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

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

13. **RATES:** The Issuer has duly enacted a water rate ordinance on June 15, 2009 setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

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

15. **BOND PROCEEDS:** On the date hereof, the Issuer received \$329,520.95 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the

Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Times West Virginian*, a newspaper published and of general circulation in the Town of Grant Town, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 17th day of May, 2010, at 6:00 pm at the Town Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia in Case No. 09-0149-W-CN entered on July 16, 2009 which became final order on August 5, 2009, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order is in full force and effect.

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

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

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

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

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Robert Lippert

Mayor

Melanie K. May

Recorder

James S. Adams

Counsel to Issuer

06.28.10  
351060.00002

CH5236861

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Steven A. Cain, Registered Professional Engineer, West Virginia License No. 015264, of Greenhorne & O'Mara, Inc., Consulting Engineers, in Fairmont, West Virginia, hereby certify this 20th day of July, 2010 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing public water system (the "System") of the Town of Grant Town (the "Issuer"), to be constructed in Marion County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Series 2010 A Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on May 17, 2010, and the Supplemental Resolution adopted by the Issuer on July 12, 2010, and the loan agreement dated July 20, 2010 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").

2. The Bonds are being issued for the purposes of (i) paying the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A; (ii) paying a portion of the costs of acquisition and construction of the Project; and (iii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in Schedule B, attached hereto as Exhibit A and the Issuer's counsel, Tharp, Liotta & Yokum, LLP, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids

include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all applicable permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) in reliance upon the certificate of Bennett & Dobbins PLLC, as of the effective date thereof, the rates and charges for the System enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

4. The Project has been designed to, and the construction contracts provide for, water service for up to 14 new customers in the Panther Lick Run Road area.

[Remainder of Page Intentionally Blank]

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

GREENHORNE & O'MARA, INC.

[SEAL]



*Steven A. Cain* 7-9-10

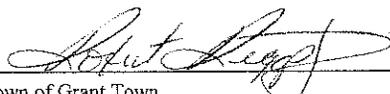
Steven A. Cain, P.E.

West Virginia License No. 015264

06.28.10  
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SCHEDULE B  
TOWN OF GRANT TOWN 2003W-720  
WATER SYSTEM IMPROVEMENTS  
07/09/2010 rev 1

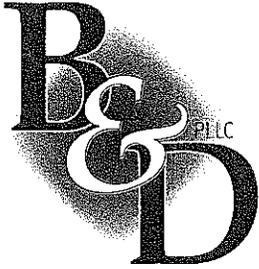
A. Cost of Project	TOTAL	Design Loan	Total	SCBG	WVIJDC Loan
1. Construction					
Contract 1 (Mountain Haus)	1,272,305.00	0.00	1,272,305.00	1,272,305.00	0.00
Contract 2 (JF Allen)	991,274.55	0.00	991,274.55	0.00	991,274.55
Contract 3 (D&M)	98,400.00	0.00	98,400.00	98,400.00	0.00
Contract 4 (Patriot)	36,600.00	0.00	36,600.00	0.00	36,600.00
Construction Contingency (5%)	119,108.18	0.00	119,108.18	41,220.00	77,888.18
2. Technical Services (G&O)					
Design	221,664.00	141,260.00	80,404.00	0.00	80,404.00
Inspection	153,000.00	0.00	153,000.00	0.00	153,000.00
Other Services	92,086.00	0.00	92,086.00	0.00	92,086.00
3. Accounting (Bennett & Dobbins)	10,075.00	0.00	10,075.00	10,075.00	0.00
4. Legal (Tharp, Liotta, and Yokum)	25,000.00	0.00	25,000.00	8,000.00	17,000.00
5. Administration					
Region VI	50,000.00	0.00	50,000.00	50,000.00	0.00
LMI Assessment	3,000.00	0.00	3,000.00	3,000.00	0.00
6. a. Sites & Lands (R-O-W Acquisitions)	15,000.00	0.00	15,000.00	5,000.00	10,000.00
b. ROW - Norfolk Southern	12,000.00	0.00	12,000.00	12,000.00	0.00
7. a. Closing Costs - Design Loan	3,500.00	3,500.00	0.00	0.00	0.00
b. MBC Fees	342.80	342.80	0.00	0.00	0.00
c. On deposit at MBC	(1,941.53)	(1,941.53)	0.00	0.00	0.00
d. Payments on design loan	(12,914.00)	(12,914.00)			
8. Design Loan Payoff		130,247.27	130,247.27	0.00	130,247.27
9. TOTAL Lines 1 through 8	3,088,500.00		3,088,500.00	1,500,000.00	1,588,500.00
B. Cost of Financing					
10. Capitalized Interest	0.00		0.00	0.00	0.00
11. Registrar Fee	500.00		500.00	0.00	500.00
12. Debt Reserve	0.00		0.00	0.00	0.00
13. Bond Counsel (Step toe & Johnson)	21,000.00		21,000.00	0.00	21,000.00
14. Cost of Issuance (Line 10 through Line 13)	21,500.00		21,500.00	0.00	21,500.00
15. TOTAL COST OF PROJECT (Line 9 + Line 14)	3,110,000.00		3,110,000.00	1,500,000.00	1,610,000.00
C. Sources of Funds					
16. Federal Grants - SCBG	1,500,000.00		1,500,000.00	1,500,000.00	0.00
17. State Grants	0.00		0.00	0.00	0.00
18. Other Grants	0.00		0.00	0.00	0.00
19. TOTAL GRANTS	1,500,000.00		1,500,000.00	1,500,000.00	0.00
20. SIZE OF BOND ISSUE (Line 15 minus Line 19)	1,610,000.00		1,610,000.00	0.00	1,610,000.00

  
Town of Grant Town

July 20, 2010  
Date

  
Greenhome & O'Mara

July 20, 2010  
Date



## Bennett & Dobbins PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

July 20, 2010

Town of Grant Town  
Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council  
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the water rate ordinance of the Town of Grant Town (the "Issuer") enacted June 15, 2009 and the projected operating expenses and the anticipated customer usage as furnished to us by Greenhorne & O'Mara, Inc, the Consulting Engineers, it is our opinion that such rates and charges will be sufficient to provide revenues which, will pay all operating expenses and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), issued in the original aggregate principal amount of \$1,610,000, to be issued to the West Virginia Water Development Authority on the date hereof and all other obligations secured by or payable from the revenues of the System.

Very truly yours,

*Bennett & Dobbins PLLC*

Bennett & Dobbins PLLC

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

On this 20th day of July, 2010, the undersigned Mayor of the Town of Grant Town in Marion County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$1,610,000 Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, dated July 20, 2010 (the "Bonds" or the "Series 2010 A Bonds"), hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on May 17, 2010, as supplemented by Supplemental Resolution duly enacted by the Issuer on July 12, 2010, (collectively, the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on July 20, 2010, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2010 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2010 A Bonds were sold on July 20, 2010, to the Authority, pursuant to a Loan Agreement dated July 20, 2010, by and among the Issuer, the Authority and the Council, for an aggregate purchase price of \$1,610,000 (100% of par), at which time, the Issuer received \$329,520.95 from the Authority and the Council, being the first advance of the principal amount of the Series 2010 A Bonds. No accrued interest has been or will be paid on the Series 2010 A Bonds. The balance of the

principal amount of the Series 2010 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2010 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the Issuer’s Waterworks System Design Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the “Series 2007 A Bonds”); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public water of the Issuer (the “Project”); and (iii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2010 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before November 1, 2011. The acquisition and construction of the Project is expected to be completed by May 1, 2011.

8. The total cost of the Project is estimated at \$3,110,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2010 A Bonds	\$1,610,000.00
Proceeds of the Small Cities Block Grant	<u>\$1,500,000.00</u>
Total Sources	<u>\$3,110,000.00</u>

USES

Costs of Project	\$2,958,252.73
Payment of Series 2007 A Bonds	\$130,247.27
Costs of Issuance	<u>\$21,500.00</u>
Total Uses	<u>\$3,110,000.00</u>

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created relative to the Series 2010 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2010 A Bonds Construction Trust Fund;

- (4) Series 2010 A Bonds Sinking Fund; and
- (5) Series 2010 A Bonds Reserve Account.

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

- (1) From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 A Bonds Sinking Fund, \$-0-, as set forth in the Supplemental Resolution as capitalized interest.
- (2) Next, from the proceeds of the Series 2010 A Bonds, there shall be deposited \$-0- with the Commission in the Series 2010 A Bonds Reserve Account, the amount, as set forth in the Supplemental Resolution.
- (3) Next, from the proceeds of the Series 2010 A Bonds there shall be deposited with the Commission an amount of \$130,247.27 to pay in full the Series 2007 A Bonds.
- (4) The remaining proceeds of the Series 2010 A Bonds shall be deposited in the Series 2010 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2010 A Bonds and related costs.

11. Moneys held in the Series 2010 A Bonds Sinking Fund will be used solely to pay principal of the Series 2010 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2010 A Bonds Sinking Fund and Series 2010 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2010 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 9 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2010 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 15 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2010 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2010 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2010 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2010 A Bonds Reserve Account and the Series 2010 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

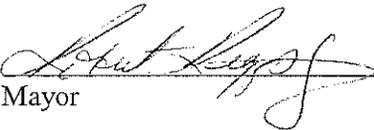
26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

[Remainder of Page Intentionally Blank]

WITNESS my signature as of the date first written above.

TOWN OF GRANT TOWN

By:   
Its: Mayor

02.25.10  
351060.00002

TOWN OF GRANT TOWN.

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

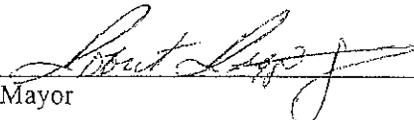
Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the Town of Grant Town does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose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

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Town Recorder not less than three (3) business days before such regular meeting is to be held. The agenda listing the matters requiring official action that may be addressed at the meeting may be amended up to two (2) business days prior to the meeting. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the Town Recorder at the front door or bulletin board of the Town Hall not less than two (2) business days before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

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

Adopted this 20th day of August, 2007.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Recorder

[SEAL]

ORDER  
of the  
Circuit Court of Marion County  
West Virginia

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GRANTING A CERTIFICATE OF INCORPORATION

to the

TOWN OF GRANT TOWN  
A MUNICIPAL CORPORATION

---

Entered on the 12th day of November, 1946.

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This day came the petitioner Meline Serdich, Henry F. Yarish, Joseph A. Zieminski, John M. Riggs, and Joseph L. Serdich, by J. Worley Powell, their counsel, and presented to the Court their petition in writing stating that they are qualified voters and residents of Marion County, West Virginia, and citizens of the United States of America, and have resided within the proposed boundaries of the town of Grant Town, Paw Paw District, Marion County, West Virginia, for a period of more than sixty days prior to October 10, 1946, the date of the election held within said proposed corporate limits of said Town of Grant Town, and asked the Court to file their said petition, together with the certificate of the election commissioners named by the qualified voters present to superintend said election.

And the Court having seen and inspected said petition and the certificate of the commissioners of said election, the same are hereby ordered to be filed herein.

"And the court doth appoint Joe Pitolo, Joe Zieminski and Mary Fox, to act as commissioners of election at the first election to be held in said town of Grant Town."

A COPY:

TESTE:

Raymond A. Alltop  
Clerk of the Circuit Court of  
Marion County, West Virginia  
By W. T. Downs, Deputy

And satisfactory proof having been produced to the Court that all the provisions of Chapter VIII, Article 2 of the Official Code of West Virginia, have been or were fully complied with, and that a majority of the qualified voters, at an election held within the proposed boundaries or limits of the said town of Grant Town, in Paw Paw District, Marion County, West Virginia, on the 10th day of October, 1946, had voted for incorporation, which certificate was returned under oath of Mary Fox, Henry F. Yarish and Marjorie Serdich, the Clerk of this Court, is directed to issue a certificate of the incorporation of such town of Grant Town as follows:

"A Certificate under oath of Mary Fox, Henry F. Yarish and Marjorie Serdich was this day, filed, showing that a majority of all the qualified voters residing in the following boundary, to-wit:

"Beginning at a triangulation station No. 68 on top of the high knoll northeast from the water tanks and running thence from said triangulation station S. 16 degrees 50' W. 1904.01 feet to a stake; thence S. 44 degrees 34' W. 1089.71 feet to a stake near the north water tank; thence S. 50 degrees 56' E. 2382.87 feet to a point in the County Road north of the ball diamond; thence with the County Road S. 1 degrees 17' W. 349.38 feet to a stake; thence S. 29 degrees 31' W. 441.65 feet crossing Paw Paw Creek to a stake in the old M. W. P. P. S. Co.'s street car right of way; thence with the same N. 59 degrees 45' W. 807.68 feet to a stake; N. 62 degrees 51' W. 817.51 feet; N. 78 degrees 16' W. 392.03 feet; S. 83 degrees 35' W. 210.20 feet; N. 12 degrees 35' E. 584.50 feet; S. 75 degrees 32' W. 1096.00 feet, corner in road near pop plant; S. 12 degrees 30' W. 240.00 feet; N. 88 degrees 16' W. 298.09 feet; N. 87 degrees 02' W. 249.84 feet to a point opposite the dam; N. 71 degrees 42' W. 460 feet; N. 87 degrees 49' W. 407 feet to a stake; thence following the west bank of Paw Paw Creek N. 57 degrees 16' W. 181 feet; N. 9 degrees 24' W. 260 feet; N. 12 degrees 52' E. 291 feet; N. 56 degrees 45' E. 190 feet; N. 71 degrees 52' E. 240 feet N. 41 degrees 36' E. 188 feet; N. 9 degrees 12' E. 174 feet; N. 65 degrees 50' W. 191 feet; S. 87 degrees 08' W. 366 feet; N. 74 degrees 45' W. 320 feet to a point on the southern bank of Paw Paw Creek; thence crossing said creek and the State Highway N. 20 degrees 54' E. 1079.66 feet; N. 65 degrees 02' E. 2369.42 feet to a stake; thence N. 80 degrees 18' E. 1986.81 feet to the place of beginning, containing 279.84 acres, more or less, have voted in due form of law, in favor of the incorporation of the town of Grant Town, in the county of Marion, bounded as herein set forth. And as it appears to the satisfaction of the court that all of the provisions of chapter VIII of the Code of West Virginia have been complied with by the applicants of said incorporation, said town is a body corporate, duly authorized within the corporate limits aforesaid, to exercise all the corporate powers conferred by the said chapter from and after the date of this certificate.

CERTIFICATE OF INCORPORATION

&

LAWS AND ORDINANCES

&

RECORD OF MEETINGS OF COUNCIL

TOWN OF GRANT TOWN

FIRST MEETING OF COUNCIL

FOR ORGANIZATION

Held December 27, 1946

Pursuant to an election held on the 17th day of December, 1946, by the qualified voters of the Town of Grant Town under the provisions of a Certificate of Incorporation granted by the Circuit Court of Marion County, West Virginia, by an order or decree of said Court entered on the 12th day of November, 1946, the Mayor Recorder and members of the council elect met on the 27th day of December, 1946, at 7 o'clock p. m. in the Boy Scout Building, in the Town of Grant Town, Marion County, West Virginia, for the purpose of organization.

There were present at said meeting the Mayor, Recorder and all the councilmen elect, being C. H. Gedel, Mayor, Adam Savich, Recorder, and Fred G. Pitman, Hobart Dodd, Lawrence Clair, E. G. Dennison and John Basile, members of council; all of whom having been duly elected to said several offices, and each having taken and subscribed the oath of office as required by law.

The meeting was called to order by the Mayor, who laid before the meeting a copy of the Certificate of Incorporation of the Town of Grant Town, granted on the 12th day of November, 1946, which being read was on motion unanimously adopted, ratified, approved and accepted as the Certificate of Incorporation for said Town and ordered to be spread upon the records of this meeting as follows:

STATE OF WEST VIRGINIA.

At a regular Term of the Circuit Court held in and for the County of Marion, State aforesaid, on the 12th day of November, 1946, the following order was entered:

IN THE CIRCUIT COURT OF MARION COUNTY, WEST VIRGINIA.

APPLICATION FOR THE INCORPORATION OF THE TOWN OF GRANT TOWN,  
PAW PAW DISTRICT, MARION COUNTY, WEST VIRGINIA.

UPON PETITION

This day came the petitioner Meline Serdich, Henry F. Yarish, Joseph A. Zieminski, John M. Riggs and Joseph L. Serdich, by J. Worley Powell, their counsel, and presented to the Court their petition in writing stating that they are qualified voters and residents of Marion County, West Virginia, and citizens of the United States of America, and have resided within the proposed boundaries of the Town of Grant Town, Paw Paw District, Marion County, West Virginia, for a period of more than sixty days prior to October 10, 1946, the date of the election held within said proposed corporate limits of said Town of Grant Town, and asked the Court to file their said petition, together with the certificate of the election commissioners named by the qualified voters present to superintend said election.

And the Court having seen and inspected said petition and the

Certificate of the commissioners of said election, the same are hereby ordered to be filed herein.

And satisfactory proof having been produced to the Court that all the provisions of Chapter 8, Article 2 of the Official Code of West Virginia, have been or were fully complied with, and that a majority of the qualified voters, at an election held within the proposed boundaries or limits of the said town of Grant Town in Paw Paw District, Marion County, West Virginia, on the 10th day of October, 1946, had voted for incorporation, which certificate was returned under oath of Mary Fox, Henry F. Yarish and Marjorie Serdich, the Clerk of this Court is directed to issue a certificate of the incorporation of such town of Grant Town as follows:

"A Certificate under oath of Mary Fox, Henry F. Yarish and Marjorie Serdich was this day, filed, showing that a majority of all the qualified voters residing in the following boundary, to-wit:

Beginning at a triangulation station No. 58 on top of the high knob northeast from the water tanks and running thence from said triangulation station S. 15 degrees 50' W. 1904.01 feet to a stake; thence S. 44 degrees 34' W. 1089.71 feet to a stake near the north water tank; thence S. 50 degrees 56' E. 2382.87 feet to a point in the County Road north of the ball diamond; thence with the County Road S. 1 degree 17' W. 349.38 feet to a stake; thence S. 29 degrees 31' W. 441.65 feet crossing Paw Paw Creek to a stake in the old M. W. P. P. S. Co's. street car right of way; thence with the same N. 59 degrees 46' W. 807.68 feet to a stake; N. 62 degrees 51' W. 817.51 feet; N. 78 degrees 16' W. 392.08 feet; S. 83 degrees 35' W. 210.20 feet; N. 12 degrees 35' E. 584.50 feet; S. 75 degrees 32' W. 1096.00 feet, corner in road near pop plant; S. 12 degrees 30' W. 240.00 feet; N. 83 degrees 16' W. 298.09 feet; N. 87 degrees 02' W. 249.84 feet to a point opposite the dam; N. 71 degrees 42' W. 460 feet; N. 87 degrees 49' W. 407 feet to a stake; thence following the west bank of Paw Paw Creek N. 57 degrees 10' W. 181 feet; N. 9 degrees 24' W. 260 feet; N. 12 degrees 52' E. 291 feet; N. 56 degrees 45' E. 190 feet; N. 71 degrees 52' E. 240 feet N. 41 degrees 36' E. 188 feet; N. 9 degrees 12' E. 174 feet; N. 65 degrees 50' W. 191 feet; S. 87 degrees 08' W. 366 feet; N. 74 degrees 45' W. 320 feet to a point on the southern bank of Paw Paw Creek; thence crossing said creek and the State Highway N. 20 degrees 54' E. 1079.66 feet; N. 65 degrees 02' E. 2369.42 feet to a stake; thence N. 80 degrees 18' E. 1986.81 feet to the place of beginning, containing 279.84 acres, more or less, have voted in due form of law, in favor of the incorporation of the town of Grant Town, in the county of Marion, bounded as herein set forth. And as it appears to the satisfaction of the court that all of the provisions of chapter eight of the Code of West Virginia have been complied with by the applicants for said incorporation, said town is a body corporate, duly authorized within the corporate limits aforesaid, to exercise all the corporate powers conferred by the said chapter from and after the date of this certificate.

And the court doth appoint Joe Pitrolo, Joe Zieminski and Mary Fox, to act as commissioners of election at the first election to be held in said town of Grant Town

A COPY:

TESTE:

HAYMOND A. ALLTOP  
CLERK OF THE CIRCUIT COURT OF  
MARION COUNTY, WEST VIRGINIA.

By W. T. Downs, Deputy

Thereupon the Recorder presented for consideration an ordinance entitled:

Adoption of Code Provisions

Be it ordained by the common council of the Town of Grant Town;

That pending the enactment of a complete draft of specific ordinances, that the provisions of Chapter VIII of the official Code of West Virginia, 1943, be and the same are hereby adopted, together with such amendments thereto as may from time to time be made by the Legislature of West Virginia, as the substantive law of the municipality of Grant Town, so far as the provisions thereof are applicable; and this municipality and its officers shall exercise all the powers conferred by said chapter and perform the duties and be subject to the limitations and restrictions therein contained.

Which ordinance was thereupon read a first time and on motion made and unanimously carried, was ordered to lie over until the next meeting of council for further consideration.

Mr. Pitman submitted an ordinance entitled;

Rules for Transaction of Business

Be it ordained by the common council of the Town of Grant Town:

Section 1. Regular meetings of the council shall be held at the Mayor's office on the first Thursday of every month at 7 o'clock p. m. and at such times as may be fixed by special order of adjournment, a majority of council shall be necessary to form a quorum for the transaction of business.

Section 2. Special meetings of council may be called by the Mayor or any three members, notice of such special meetings shall be served on the members and the purpose of such meeting stated in said notice.

Section 3. The Mayor shall preside at the meetings of council and in his absence the Recorder shall preside, and in the absence of both Mayor and Recorder, the members of council present shall select one of their members to preside.

Town of Grant Town

Oaths of Office

Term of July 1, 2010 to June 30, 2012

Recorder Thompson gave the Oath of Office to newly elected Mayor Robert D. Riggs as follows:

State of West Virginia:

County of Marion:

Town of Grant Town, To-Wit:

I, Robert D. Riggs do solemnly swear that I will support the constitution of the United States and the Constitution of this state and the ordinances of the Town of Grant Town, and that I will faithfully discharge the duties of the office of Mayor of the Town of Grant Town, Marion County, State of West Virginia, to the best of my skill and judgement. So help me God.

Robert D. Riggs

Subscribed and sworn to before me this 12<sup>th</sup> day of July, 2010

Melanie K. Thompson

Mayor Riggs gave the Oath of Office to newly elected Recorder Melanie K. Thompson as follows:

State of West Virginia:

County of Marion:

Town of Grant Town, To-Wit:

I, Melanie K. Thompson do solemnly swear that I will support the constitution of the United States and the Constitution of this state and the ordinances of the Town of Grant Town, and that I will faithfully discharge the duties of the office of Recorder of the Town of Grant Town, Marion County, State of West Virginia, to the best of my skill and judgement. So help me God.

Melanie K. Thompson

Subscribed and sworn to before me this 12<sup>th</sup> day of July, 2010

Robert D. Riggs

Recorder Thompson gave the Oath of Office to newly elected Councilmembers Mary Kuretza, Michael Jordan, John Riley, Robert Tuttle as follows:

State of West Virginia:

County of Marion:

Town of Grant Town, To-Wit:

I, Mary Kuretza, Michael Jordan, John Riley, Robert Tuttle do solemnly swear that I will support the constitution of the United States and the Constitution of this state and the ordinances of the Town of Grant Town, and that I will faithfully discharge the duties of the office of Councilmember of the Town of Grant Town, Marion County, State of West Virginia, to the best of my skill and judgement. So help me God.

Robert E. Tuttle Jr.

*Michael J. Jacobs Jr*  
*Chairman*

Subscribed and sworn to before me this 12<sup>th</sup> day of July, 2010

*Melanie Thompson*

**ORDINANCE NO. 01-2006**

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

The Town Council of the Town of Grant Town hereby ordains:

**SECTION ONE**

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

**SECTION TWO**

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

**SECTION THREE**

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

**AVAILABILITY OF SERVICE**

Rates applicable to entire territory served and available for general domestic, commercial, industrial and sale for resale.

MONTHLY RATES

First 2,000 gallons used per month	\$8.09 per 1,000 gallons
Next 3,000 gallons used per month	\$6.16 per 1,000 gallons
Next 5,000 gallons used per month	\$4.56 per 1,000 gallons
Over 10,000 gallons used per month	\$4.05 per 1,000 gallons
Water sale for resale	\$2.32 per 1,000 gallons

MINIMUM CHARGE

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

<u>METER SIZE</u>	<u>MINIMUM PER MONTH</u>
5/8 inch meter	\$16.18 per month
3/4 inch meter	\$24.27 per month
1 inch meter	\$40.45 per month
1 1/2 inch meter	\$80.90 per month
2 inch meter	\$129.44 per month
3 inch meter	\$242.70 per month
4 inch meter	\$404.50 per month

FIRE HYDRANTS

Fire hydrants inside and outside corporate limits \$60.00 per year per hydrant.

TAP FEE

For the cost of making new taps there shall be a tapping charge of \$250.00. To install a meter or re-activate existing service, the charge shall be \$25.00.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10) will be added to the net current amount unpaid. This payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Meter will be removed after one day following written notice advising a customer that his account is more than five (5) days delinquent. A bill will be considered delinquent when it is thirty-one (31) days past billing date.

### INCREMENTAL COST OF WATER PRODUCED

\$2.74 per M gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

#### SECTION FOUR

The recorder is hereby authorized and directed to publish a notice of a proposed adoption of this ordinance as a Class 1 legal advertisement in compliance with applicable state law, in the Times West Virginian, a qualified newspaper published in Marion County. This notice shall state the subject matter and title of the ordinance, set forth the proposed schedules of said rates and charges, indicate the date, time, and place of the council meeting which shall consider the adoption of the ordinance, and state that any person interested may appear before the council on such date, at which time and place all parties and interests may be heard with respect to this ordinance being adopted. Said notice shall also provide that a copy of this ordinance shall be on file in the office of the Mayor of Grant Town for review by interested persons during the regular office hours of such office. The publication of said notice shall be at least five (5) days before the date fixed in said notice as the date on which the council will consider adoption of the ordinance.

#### SECTION FIVE

The Mayor is hereby authorized and directed to file the foregoing rates and charges with the council and to take such other actions as are necessary to provide the council with the information showing the basis of such rates and charges, as the council considers necessary.

#### SECTION SIX

This ordinance shall become effective after the passage of forty-five (45) days following its adoption.

March 21, 2006  
First Reading

March 22, 2006  
Second Reading

March 29, 2006  
Passage on Third Reading and Public Hearing

May 14, 2006  
Effective Date

TOWN OF GRANT TOWN

By   
Mayor

Attest:

Cynthia H. Skowalski  
Recorder

**MINUTES OF THE GRANT TOWN COUNCIL 3/20/06**

The Town Council for the Town of Grant Town, Marion County, West Virginia met in regular session on March 20, 2006 at 6:00 pm at the Municipal Building. Mayor Robert Riggs Jr. called the meeting to order. Those present included Mayor Riggs, Recorder Cynthia Stevenski, and Council members Melanie Thompson, Carol Sabatino, Mary Ann Kuretza, Tom Caston and John Riley.

The visitors included Zack Dobbins, James Muth, Tim Stevenski, Mike Jordan, Stella Belotsky, and Roy Ralston.

After the minutes were read, Council member Kuretza motioned to accept them as read with a second by Council member Riley. All approved.

Mayor Riggs asked Zack Dobbins our accountant to explain the proposed rate increase. Mr. Dobbins explained that it was necessary to increase the rates in order to maintain our water system as well as enable us to be in competition for the Small Cities Block grant for our water system upgrade project. The proposed rate increase would be 11% effective upon passage of the ordinance and possibly another 28% increase when the project is completed.

Mayor Riggs explained that letters would be sent to all customers explaining the need for an increase.

Mayor Riggs informed Council that we would need to conduct another income survey in order to have the correct results to file with our grant application.

Mayor Riggs had a meeting with Ministers Run water board earlier today. They don't seem to have a problem with the proposed rate increase. Mayor Riggs explained that we will have to increase the size of their meter to 4 inches and we will then move the meter pit to a more convenient location.

We will have a special meeting tomorrow, March 21, 2006 at 6:00 pm and another on Wednesday, March 22, 2006 at 6:00 pm. Both meetings will be held at the Municipal Building and will be open to the public. The ordinance for the rate increase will be read at these meetings. The final meeting in which the ordinance will be read will be a Public Hearing at the Community Building on March 29, 2006 at 6:00 pm the meeting will be announced in the newspaper. Anyone with questions or comments is welcome to attend.

Council member Thompson questioned the need to repaint the Community Building. This was just painted last year. There was a discussion on the sealing of the floor of the Community Building as well as the need for attachments for the shop vac and the maintenance of the downspouts, gutters and the landscaping.

Council member Sabatino stated the need of a coat rack being installed at the Community Building. Mayor Riggs will look into this.

Council member Sabatino inquired about a town clean up this year. After a discussion, it was decided to look into getting a dumpster from BFI. We will look into this further. A tentative date for the town clean up is May 2 covering from Frazier Street to the Municipal Building and May 3<sup>rd</sup> from the Municipal Building to Paw Paw Street. Again, this clean up would cover no household trash, no tires and no paint.

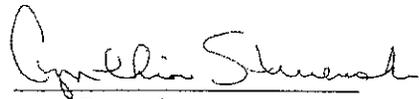
Mike Jordan informed Council of a neighbor that has trash piled up. This person will have 24 hours to provide dump receipts or he will be cited.

SESSION HELD

~~Council member Kuretza reported that she has been receiving many pictures and the~~  
 response to our request has been great. She will start organizing the information.  
 Council member Caston gave updates on the water department. Tim Stevenski has  
 everything under control concerning permits pertaining to a new customer tap that has  
 been a problem in the past.  
 Council member Riley had nothing to report.  
 The budget should be ready for approval on Wednesday, March 22.  
 Visitor Roy Ralston would like to make improvements to the alley behind his home.  
 Stella Belotsky was appreciative of her stop sign.  
 With nothing further to discuss, Council member Sabatino motioned to adjourn the  
 meeting with a second by Council member Kuretza. All agreed and the meeting was  
 adjourned.

ATTEST:

  
 \_\_\_\_\_  
 Mayor

  
 \_\_\_\_\_  
 Recorder

MINUTES OF THE GRANT TOWN COUCL 3/21/06

The Town Council for the Town of Grant Town, Marion County, West Virginia met in Special session on Tuesday March 21,2006 at 6:00 pm at the Municipal Building. Mayor Riggs called the meeting to order.

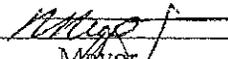
Those present included Mayor Riggs, Recorder Cindy Stevenski, and Council members John Riley, Tom Caston, Mary Ann Kuretza, Carol Sabatino, and Melanie Thompson. Pearl Eddy was the only visitor.

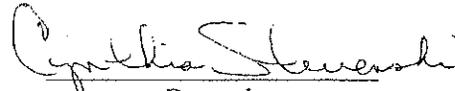
Mayor Riggs read Ordinance #001-2006 in its entirety. After the reading of the ordinance Mayor Riggs called for a motion to approve. Council member Kuretza motioned to approve with a second by Council member Thompson. The vote:

Council member Riley – yes	Council member Caston – yes
Council member Kuretza – yes	Council member Sabatino – yes
Council member Thompson – yes	Mayor Riggs – yes
Recorder Stevenski – yes	

With no other business to discuss, being duly motioned and seconded the meeting was adjourned.

ATTEST:

  
 \_\_\_\_\_  
 Mayor

  
 \_\_\_\_\_  
 Recorder

MINUTES OF THE GRANT TOWN COUNCIL 3/22/06

The Town Council for the Town of Grant Town, Marion County, West Virginia met in Special Session on Wednesday, March 22, 2006 at 6:00 pm at the Municipal Building. Mayor Riggs called the meeting to order.

Those present included Mayor Riggs, Recorder Cindy Stevenski, and Council members Melanie Thompson, John Riley, Carol Sabatino and Tom Caston. Council member Kuretza was absent.

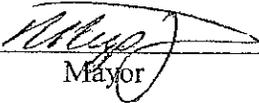
A motion was made by Mayor Riggs to waive the second reading of Ordinance #01-2006 with a second by Council member Riley. The vote to waive the second reading follows:

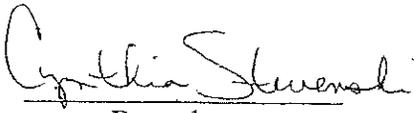
Council member Caston – yes	Council member Sabatino – yes
Council member Thompson – yes	Council member Riley – yes
Mayor Riggs – yes	Recorder Stevenski – yes

The third and final reading of Ordinance #001-2006 will be next Wednesday, March 29<sup>th</sup> at the Community Building at 6:00 pm.

With nothing further to discuss, being duly motioned and seconded the meeting was adjourned.

ATTEST:

  
 \_\_\_\_\_  
 Mayor

  
 \_\_\_\_\_  
 Recorder

## PUBLIC HEARING ON ORDINANCE #01-2006

The Town Council for the Town of Grant Town, Marion County, West Virginia met in a Special session on Wednesday, March 29, 2006 at 6:00 pm. This meeting was a Public Hearing for the purpose of the final reading of Ordinance #01-2006. Those present included Mayor Riggs, Recorder Cynthia Stevenski, and Council members Carol Sabatino, and John Riley. Council members Mary Ann Kuretza and Tom Caston were absent.

After a discussion, Mayor Riggs read the ordinance in its entirety, which follows:

### ORDINANCE NO. 01-2006

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

The Town Council of the Town of Grant Town hereby ordains:

#### SECTION ONE

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

#### SECTION TWO

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

#### SECTION THREE

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

#### AVAILABILITY OF SERVICE

Rates applicable to entire territory served and available for general domestic, commercial, industrial and sale for resale.

#### MONTHLY RATES

First 2,000 gallons used per month	\$8.09 per 1,000 gallons
Next 3,000 gallons used per month	\$6.16 per 1,000 gallons
Next 5,000 gallons used per month	\$4.56 per 1,000 gallons
Over 10,000 gallons used per month	\$4.05 per 1,000 gallons

Water sale for resale

\$2.32 per 1,000 gallons

MINIMUM CHARGE

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

<u>METER SIZE</u>	<u>MINIMUM PER MONTH</u>
5/8 inch meter	\$16.18 per month
3/4 inch meter	\$24.27 per month
1 inch meter	\$40.45 per month
1 1/2 inch meter	\$80.90 per month
2 inch meter	\$129.44 per month
3 inch meter	\$242.70 per month
4 inch meter	\$404.50 per month

FIRE HYDRANTS

Fire hydrants inside and outside corporate limits \$60.00 per year per hydrant.

TAP FEE

For the cost of making new taps there shall be a tapping charge of \$250.00. To install a meter or re-activate existing service, the charge shall be \$25.00.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10) will be added to the net current amount unpaid. This payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Meter will be removed after one day following written notice advising a customer that his account is more than five (5) days delinquent. A bill will be considered delinquent when it is thirty-one (31) days past billing date.

INCREMENTAL COST OF WATER PRODUCED

\$2.74 per M gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SECTION FOUR

The recorder is hereby authorized and directed to publish a notice of a proposed adoption of this ordinance as a Class 1 legal advertisement in compliance with applicable state law, in the Times West Virginian, a qualified newspaper published in Marion County. This notice shall state the subject matter and title of the ordinance, set forth the proposed schedules of said rates and charges, indicate the date, time, and place of the council meeting which shall consider the adoption of the ordinance, and state that any person interested may appear before the council on such date, at which time and place all parties and interests may be heard with respect to this ordinance being adopted. Said notice shall also provide that a copy of this ordinance shall be on file in the office of the Mayor of Grant Town for review by interested persons during the regular office hours of such office. The publication of said notice shall be at least five (5) days before the date fixed in said notice as the date on which the council will consider adoption of the ordinance.

SECTION FIVE

The Mayor is hereby authorized and directed to file the foregoing rates and charges with the council and to take such other actions as are necessary to provide the council with the information showing the basis of such rates and charges, as the council considers necessary.

SECTION SIX

This ordinance shall become effective after the passage of forty-five (45) days following its adoption.

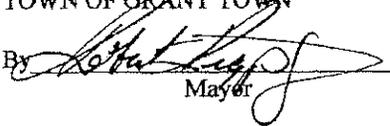
MARCH 21, 2006  
First Reading

MARCH 22, 2006  
Second Reading

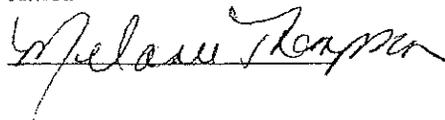
MARCH 29, 2006  
Passage on Third Reading and Public Hearing

\_\_\_\_\_  
Effective Date

TOWN OF GRANT TOWN

By   
Mayor

Attest:



A motion to adopt said ordinance was made by Council member Riley with a second by Council member Sabatino. The vote:

Council member Riley – yes

Council member Sabatino – yes

Recorder Stevenski – yes

Mayor Riggs – yes

The June water bill will reflect the water rate increase.

A motion to adjourn was made by Council member Riley, with a second by Council member Sabatino. With nothing further to discuss, the meeting was adjourned.

Legals

Legals

**PUBLIC NOTICE OF CHANGE IN RATES BY THE TOWN OF GRANT TOWN**

Notice is hereby given that the Town of Grant Town public utility, has adopted by ordinance on March 29, 2006 a tariff containing increased rates, tools and charges for furnishing water service to 505 customers at Baxter and Grant Town in the County of Marion, State of West Virginia.

The proposed rates and charges will become effective May 14, 2006, unless otherwise ordered by the Public Service Commission and will produce approximately \$18,718.00 annually in additional revenue, an increase of 11%. The average monthly bill for the various classes of customers will be charges as follows:

	INCREASE (%)
Residential \$3.12	11%
Commercial \$3.12	11%
Industrial \$3.12	11%
Retail \$199.90	11%
Other N/A	N/A

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall

review and approve or modify the increases rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipality operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers are affected by said change in rates who reside within the municipal boundaries and who present a petition to the commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

A complete copy of the proposed rate, as well as a representative of the utility, to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the following offices of the utility:

Office of the Mayor, town of Grant town 304 main Street, Grant town WV 26574

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

AFFIDAVIT OF PUBLICATION 006056

State of West Virginia  
County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath,

do dispose and say that I am Lead Clerk of the TIMES WEST VIRGINIAN a corporation, publisher of the newspaper entitled the TIMES WEST VIRGINIAN an independent newspaper:

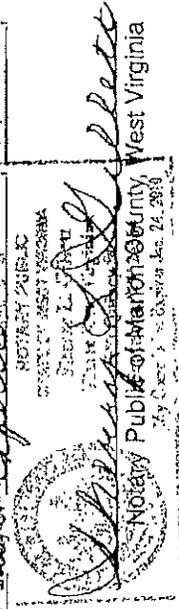
that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below, that such newspaper is regularly published daily except Saturday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

that the annexed notice of Change in Rates was duly published in said newspaper once week for 2 successive weeks (Class A), commencing with the issue of the 31 day of March, 2006, and ending with the issue of the 7 day of April, 2006, and was posted at the front door of the Marion County Courthouse on the 31 day of March, 2006; that said annexed notice was published on the following dates: March 31, April 7, 2006

and the cost of publishing said annexed notice as aforesaid was \$ 141.40

Beverly A. Miller  
Taken, subscribed and sworn to before me in said county this 12 day of April, 2006

My commission expires Jan 24 2010



# Advertising Receipt

Times West Virginian  
P. O. Box 2530  
Fairmont, WV 26555-2530

Phone: (304)367-2500  
Fax: (304)367-2569

Tharp, Liotta & Yokum, LLP  
JARROD DEVAULT  
PO Box 1509  
Fairmont, WV 26555-1509

Acct #: 02103090  
Ad #: 00006900  
Phone: 304-363-1123  
Date: 06/05/2009  
Ad taker: JM      Salesperson:

Sort Line: NOTICE TOWN OF GRANT TOWN No      Ad Notes:  
Classification    998

Description	Start	Stop	Ins.	Cost/Day	Total
01 Times West Virginian	06/08/2009	06/08/2009	1	34.71	34.71
lg Notary Fee					2.00

RECEIVED  
2009 JUN 22 AM 9 47  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

**Ad Text:**  
NOTICE  
TOWN OF GRANT TOWN

**Payment Reference:**

Notice is hereby given that the Town of Grant Town, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of rates for customers of the water system operated by the Town of Grant Town. The title of such ordinance is "An Ordinance Authorizing an Increase in Rates for the Water Customers of the Town of Grant Town." The final vote on adoption of the proposed ordinance shall be held at the Grant Town Community Building, 300 Ballah Avenue, Grant Town, West Virginia on Wednesday, June 15, at 6:00pm Interested parties may

Total: 36.71  
Tax: 0.00  
Net: 36.71  
Prepaid: 0.00  
**Total Due 36.71**

**AFFIDAVIT OF PUBLICATION**

009246

State of West Virginia  
County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath,

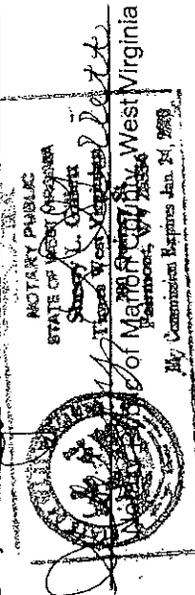
do, dispose and say that I am Legal Clerk of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMES WEST VIRGINIAN** an independent newspaper:

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

that the annexed notice of hearing was duly published in said newspaper once day for 1 successive day (Class I), commencing with the issue of the 8 day of June, 2009, and ending with the issue of the 8 day of June, 2009; that said annexed notice was published on the following dates: June 8, 2009 and the cost of publishing said annexed notice as aforesaid was \$ 26.71

Taken, subscribed and sworn to before me in said county this 19 day of June, 2009

My commission expires Jan 24, 2010



Legals  
NOTICE  
TOWN OF GRANT TOWN.

Notice is hereby given that the Town of Grant Town, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of rates for customers of the water system operated by the Town of Grant Town. The title of such ordinance is "An Ordinance Authorizing an Increase in Rates for the Water Customers of the Town of Grant Town." The final vote on adoption of the proposed ordinance shall be held at the Grant Town Community Building, 300 Ballah Avenue, Grant Town, West Virginia, on Wednesday, June 15, at 6:00pm. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the Office of the Mayor, Grant Town Hall, Grant Town, West Virginia.

RECEIVED

JUN 22 10 50 AM '09

THE TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL  
RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

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

\* \* \*

\* \* \*

\* \* \*

The Council of the Town met in regular session, pursuant to notice duly given, on the 12th day of July, 2010, in Grant Town, West Virginia, at the hour of 6:00 p.m.

PRESENT:     Melanie Thompson     - Recorder and Acting Mayor  
              Mary Kuretza           - Councilmember  
              Michael Jordan       - Councilmember  
              John Riley           - Councilmember  
              Robert Tuttle       - Councilmember  
  
              John Stump           - Steptoe & Johnson

ABSENT:     Mayor Robert Riggs, Jr.

Melanie Thompson, Acting Mayor, presided.

The Acting Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO  
PRINCIPAL AMOUNT, DATE, MATURITY DATE,  
REDEMPTION PROVISION, INTEREST RATE, INTEREST  
AND PRINCIPAL PAYMENT DATES, SALE PRICE AND  
OTHER TERMS OF THE WATER REVENUE BONDS,  
SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE  
FUND), OF THE TOWN OF GRANT TOWN; RATIFYING

AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING A BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

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

Next, the Acting Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Councilmember Jordan and seconded by Councilmember Riley, it was unanimously ordered that the said Draw Resolution be adopted.

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

\* \* \*

\* \* \*

\* \* \*

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The Town of Grant Town and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 20th day of July, 2010.

  
Town Clerk Recorder

07.08.10  
351060.00002

No 4069

## MINUTES OF THE COUNCIL OF THE TOWN OF GRANT TOWN

SESSION HELD

20

The Town Council for the Town of Grant Town, Marion County, West Virginia met in regular session on Monday, April 19, 2010 at 6:00 P.M. at the Grant Town Town Hall. Mayor Robert Riggs called the meeting to order.

Those present were: Mayor Robert Riggs, Recorder Melanie Thompson and Councilmembers Michael Jordan, Robert Tuttle and Mary Kuretzka

Absent: Councilmembers Robert Selan and John Riley

Residents: Mr. Muth

Visitors: Engineers from Greenhorne and O'Mara, Lily Parker

Upon a motion by Councilmember Kuretzka with a second by Councilmember Jordan the minutes of the previous session of council were unanimously approved.

Upon a motion by Councilmember Kuretzka with a second by Councilmember Tuttle the financial statements for March were unanimously approved by council.

Upon a motion by Councilmember Tuttle with a second by Councilmember Kuretzka Ordinance #09-03 for the water system was unanimously approved as a first reading and read by title as follows:

To consider on first reading and act upon a proposed Bond Ordinance providing for the issuance of its Water Revenue Bonds, Series 2010 A (the "Bonds"). The proceeds of the Bonds will be used (i) to pay the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A; (ii) to pay the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the water system of the Issuer; (iii) to fund the Series 2010 A Bonds Reserve Account; and (iv) to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the Town.

On a motion by Councilmember Tuttle with a second by Councilmember Jordan it was unanimously approved for the water department to purchase a dump truck for the amount of \$2000.00.

Councilmember Kuretzka reported that she will be mailing the annual park inspection on Tuesday April 20<sup>th</sup>.

Upon a motion by Councilmember Kuretzka a second by Councilmember Jordan it was unanimously decided to adjourn the meeting until the next regular meeting to be held on Monday, May 3, 2010 at the Grant Town Town Hall



No 4070

## MINUTES OF THE COUNCIL OF THE TOWN OF GRANT TOWN

## SESSION HELD

20

The Town Council for the Town of Grant Town, Marion County, West Virginia met in regular session on Monday, May 3, 2010 at the Grant Town Town Hall. Mayor Robert Riggs called the meeting to order.

Those present were: Mayor Robert Riggs, Recorder Melanie Thompson and Councilmembers Robert Tuttle, Michael Jordan, and John Riley.

Absent: Councilmember Robert Selan and Mary Kuretzka

Residents in attendance: Mr. Muth

Visitors: none

Employees: Chief Biggie

On a motion by Councilmember Jordan with a second by Councilmember Tuttle the minutes of the preceding session of council were unanimously approved.

Upon a motion by Councilmember Jordan with a second by Councilmember Tuttle the second reading of the Water Department Bond ordinance 09-03 was held being read by title as follows:

A proposed Bond Ordinance providing for the issuance of its Water Revenue Bonds, Series 2010 A (the "Bonds"). The proceeds of the Bonds will be used (i) to pay the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A; (ii) to pay the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the water system of the Issuer; (iii) to fund the Series 2010 A Bonds Reserve Account; and (iv) to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the Town.

Upon a motion by Councilmember Jordan with a second by Councilmember Tuttle it was unanimously agreed to pay Norfolk Southern \$12,000.00 for the Right of Way for the Water Department project.

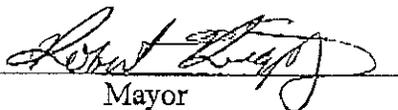
Upon a motion by Councilmember Tuttle with a second by Councilmember Jordan it was unanimously agreed to let the Grant Town Volunteer Fire Department utilize the town owned tractor for moving at the ballfield property. Grant Town Volunteer Fire Department will provide a brush hog for town use in return for the use of the tractor. The gas will be provided by the Grant Town Volunteer Fire Department while they are using the tractor on the ballfield property.

On a motion by Councilmember Tuttle with a second by Councilmember Riley it was unanimously agreed to allow the Grant Town Police department to purchase supplies not to exceed a cost of \$2729.00 to include a shot gun and ammunition and misc uniform upgrades and replacements.

Chief Biggie reported on the upcoming Police Equipment Grant which will be a technology grant.

It was decided to research using a uniform service.

With no further business to discuss and on a motion duly made and seconded the town council for the Town of Grant Town adjourned until Monday, May 17, 2010.

  
Mayor

  
Recorder

NO 4071

## MINUTES OF THE COUNCIL OF THE TOWN OF GRANT TOWN

## SESSION HELD

20

The Town Council for the Town of Grant Town, Marion County, West Virginia met in regular session on Monday, May 17, 2010 at the Grant Town Town Hall. Mayor Robert Riggs called the meeting to order.

Those present were: Mayor Robert Riggs, Recorder Melanie Thompson and Councilmembers Robert Tuttle, Michael Jordan, and Mary Kuretza.

Absent: Councilmember Robert Selan and John Riley

Residents in attendance: Mr. Muth

Visitors: Lynette McQuain and Thomas Aman Bond Counsel for Steptoe and Johnson.

Employees: None

On a motion by Councilmember Kuretza with a second by Councilmember Jordan the minutes of the preceding session of council were unanimously approved.

Upon a motion by councilmember Kuretza with a second by Councilmember Tuttle the financial statements for March were unanimously approved by council.

Upon a motion by Councilmember Jordan with a second by Councilmember Tuttle it was unanimously agreed to adjourn to the public meeting for the Water Bond Ordinance.

Visitor Lynette McQuain inquired as to whether the customers of the water system were given an option to sign up for water service on Pantherlick. Mayor Riggs reported that they were given an option to become customers of the system.

Upon no other questions or comments the public meeting was unanimously adjourned by council.

Upon a motion by Councilmember Jordan with a second by Councilmember Tuttle the third and final reading of the Water Department Bond ordinance 09-03 was held being read by title as follows:

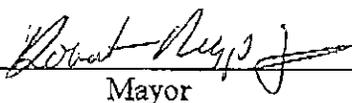
A proposed Bond Ordinance providing for the issuance of its Water Revenue Bonds, Series 2010 A (the "Bonds"). The proceeds of the Bonds will be used (i) to pay the Issuer's Waterworks System Design Revenue Bonds, Series 2007 A; (ii) to pay the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the water system of the Issuer; (iii) to fund the Series 2010 A Bonds Reserve Account; and (iv) to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the Town.

Mayor Riggs reported that he is working on the emergency plan and has made some changes after the emergency evacuation of Rivesville. Once the Emergency Plan is completed he will send a to each resident of Grant Town for comments prior to adopting.

Councilmember Tuttle reported on the water flow from Floyd Street. The ditches need re-piped.

Councilmember Jordan reported that he called DOH to clean out the Church Street ditch due to the water flow issues.

With no further business to discuss and on a motion duly made and seconded the town council for the Town of Grant Town adjourned until Monday, June 7, 2010.

  
Mayor

  
Recorder

NOTICE OF PUBLIC HEARING ON OWN OF GRANT TOWN BOND ORDINANCE

Public hearing will be held in the following-entitled Ordinance at a regular meeting of the Council of Grant Town, West Virginia, on Monday, May 17, 2010, at 10:00 p.m., at the Town Hall, 304 Main Street, Grant Town, West Virginia, and at such hearing any person interested may appear before the Council in and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2007 A BONDS, THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER SYSTEM OF GRANT TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A, (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING

AFFIDAVIT OF PUBLICATION

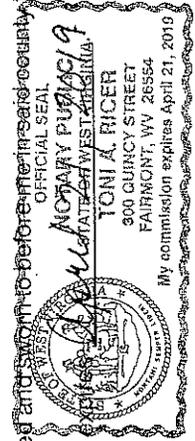
State of West Virginia  
County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath, do dispose and say that I am head clerk of the TIMES WEST VIRGINIAN of the TIMES WEST VIRGINIAN an independent newspaper:

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

that the annexed notice of Public Hearing was duly published in said newspaper once week for 2 successive Weeks (Class II), commencing with the issue of the 5 day of May, 2010, and ending with the issue of the 13 day of May, 2010, and was posted at the front door of the Marion County Courthouse on the 5 day of May, 2010; that said annexed notice was published on the following dates: May 5, 12, 2010

and the cost of publishing said annexed notice as aforesaid was \$ 230.44



Taken, subscribed and sworn to before me in said county, this 18 day of June, 2010  
My commission expires April 21, 2019  
Toni A. Ricer  
Notary Public of Marion County, West Virginia



THE TOWN OF GRANT TOWN

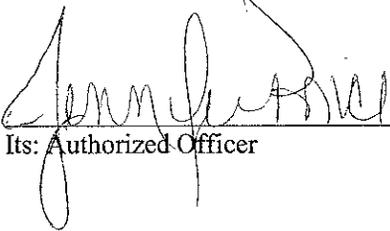
Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Exchange Bank, Mannington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The Town of Grant Town (the "Issuer"), adopted May 17, 2010, and a Supplemental Resolution of the Issuer adopted July 12, 2010 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated July 20, 2010, in the principal amount of \$1,610,000 (the "Bonds") and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 20th day of July, 2010.

FIRST EXCHANGE BANK

By:   
Its: Authorized Officer

07.08.10  
351060.00002

5428510

TOWN OF GRANT TOWN

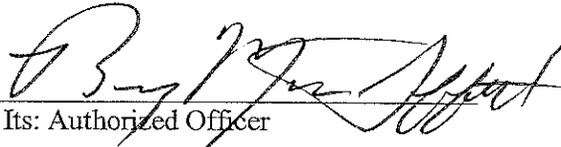
Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Grant Town Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated July 20, 2010, in the principal amount of \$1,610,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 20th day of July, 2010.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

02.23.10  
351060.00002

TOWN OF GRANT TOWN

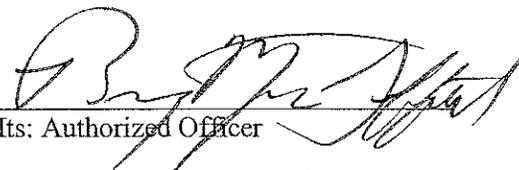
Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the Town of Grant Town (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Town of Grant Town Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, dated July 20, 2010, in the principal amount of \$1,610,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 20th day of July, 2010.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

02.23.10  
351060.00002

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 20th day of July, 2010, by and between the TOWN OF GRANT TOWN, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,610,000 principal amount of Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted May 17, 2010, and a Supplemental Resolution of the Issuer duly adopted July 12, 2010 (collectively, the "Bond Legislation");

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

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

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

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

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

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

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

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

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

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

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

ISSUER: Town of Grant Town  
304 Main Street  
Grant Town, West Virginia 26574

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

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The Registrar shall carry out applicable requirements of 40 CRF part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

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

10. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

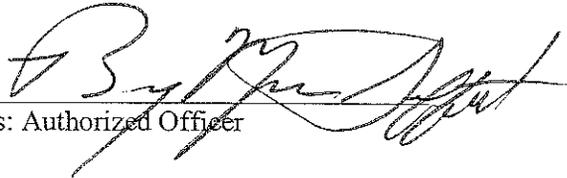
[Remainder of Page Intentionally Blank]

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

TOWN OF GRANT TOWN

By:   
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

02.23.10  
351060.00002

EXHIBIT A

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

SCHEDULE OF COMPENSATION

Private Financial Group  
P.O. Box 633 - WE3013  
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES  
Invoice Date July 20, 2010

**Town of Grant Town**  
**Account Number 6089001809**

Town of Grant Town  
Water Revenue Bonds, Series 2010 A  
C/o John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

\*\*\*\*\*  
FEE CALCULATION FOR July, 2010  
\*\*\*\*\*

TOTAL AMOUNT	\$ 500.00
<b>TOTAL DUE</b>	<b><u>\$ 500.00</u></b>

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

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

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

# ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YY)  
07/12/10

PRODUCER

Serial #: 1580

WV BOARD OF RISK & INSURANCE MANAGEMENT  
90 MACCORKLE AVE. SW. SUITE 203  
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

### COMPANIES AFFORDING COVERAGE

COMPANY A	WESTCHESTER FIRE INSURANCE COMPANY
COMPANY B	THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY
COMPANY C	
COMPANY D	

INSURED

Town of Grant Town  
P O Box 40  
Grant Town, WV 26574

### COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CD LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
	<input checked="" type="checkbox"/> PROPERTY				BUILDING	\$
	CAUSES OF LOSS				PERSONAL PROPERTY	\$
	BASIC		07/01/2010	07/01/2011	<input checked="" type="checkbox"/> BUSINESS INCOME	\$ 12 MONTHS
	BROAD				<input checked="" type="checkbox"/> EXTRA EXPENSE	\$ 12 MONTHS
A	<input checked="" type="checkbox"/> SPECIAL MANUSCRIPT	P900000567			BLANKET BUILDING	\$
	EARTHQUAKE				BLANKET PERSONAL PROPERTY	\$
	FLOOD				<input checked="" type="checkbox"/> BLANKET BLDG & PP	\$
						\$
	INLAND MARINE					\$
	TYPE OF POLICY		07/01/2010	07/01/2011		\$
	CAUSES OF LOSS					\$
	NAMED PERILS					\$
	OTHER					\$
A	<input checked="" type="checkbox"/> CRIME	P900000567	07/01/2010	07/01/2011		\$ 12 MONTHS
	TYPE OF POLICY					\$
						\$
B	<input checked="" type="checkbox"/> BOILER & MACHINERY	P900000567	07/01/2010	07/01/2011		\$ 1,000,000.00
	OTHER					\$

### LOCATION OF PREMISES-DESCRIPTION OF PROPERTY

Water Tank at Brand Street, Grant Town; Booster Station at Woods Run, Grant Town; 109 Ballah Avenue, Grant Town; Water Tank at Brand Street, Grant Town; Municipal Park at Main Street, Grant Town; 304 Main Street, Grant Town & 111 Ballah Avenue, Grant Town.

### SPECIAL CONDITIONS-OTHER COVERAGES

SUBJECT TO THE PROVISIONS, CONDITIONS & EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO: WATER PROJECTS

### CERTIFICATE HOLDER

WV Water Development Authority  
180 Association Drive  
Charleston, WV 25311

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*James D. Woodwell*

# ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY)  
07/12/10

**PRODUCER**

Serial # A3147

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

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURED**

Town of Grant Town  
P O Box 40  
Grant Town, WV 26574

**INSURERS AFFORDING COVERAGE**

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

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b>				
A	X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR	L900000567	07/01/2010	07/01/2011	EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 100,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ INCLUDED GENERAL AGGREGATE \$ N/A PRODUCTS - COMMOD AGG \$ N/A
	X WRONGFUL ACT				
	X PROFESSIONAL				
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PROJ LOC				
	<b>AUTOMOBILE LIABILITY</b>				
A	ANY AUTO	L900000567	07/01/2010	07/01/2011	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	X ALL OWNED AUTOS				
	X SCHEDULED AUTOS				
	X HIRED AUTOS				
	X NON-OWNED AUTOS				
	<b>GARAGE LIABILITY</b>				
	ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY AGG \$
	<b>EXCESS LIABILITY</b>				
	OCCUR CLAIMS MADE				EACH OCCURRENCE \$ AGGREGATE \$
	DEDUCTIBLE				\$
	RETENTION \$				\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		07/01/2010	07/01/2011	WC STATUS: OTH LTR E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	STOPGAP				
	<b>OTHER</b>				
B					

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS**

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

Water Projects

**CERTIFICATE HOLDER**

ADDITIONAL INSURED; INSURER LETTER:

**CANCELLATION**

WV Water Development Authority  
180 Association Drive  
Charleston, WV 25311

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Joseph D. Blackwell*

# State of West Virginia

## OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL AND WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301  
TELEPHONE (304) 558-2981

### PERMIT

RECEIVED

MAR 16 REC'D

PERMIT NO.: 18,259

(Water)

**PROJECT:** Water Distribution Improvements

**LOCATION:** Grant Town

**COUNTY:** Marion

**DATE:** 3-12-2009

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

**Town of Grant Town  
P. O. Box 40  
Grant Town, West Virginia 26574**

is hereby granted approval to: install approximately 15,800 LF of 8", 11,020 LF of 6", 10,000 LF of 4", 2,250 LF of 3" and 12,530 LF of 2" water line; replace the existing Woods Run water booster station with a 250 GPM booster station with booster chlorination and VFD; repaint the existing 200,000 gallon water storage tank; and make improvements to the existing telemetry system.

Facilities are to replace and upgrade the existing Town of Grant Town water distribution facilities.

**NOTE:** This permit is contingent upon all new water line being disinfected, flushed, and bacteriologically tested, prior to use.

The Environmental Engineering Division of the OEHS-Philippi District Office, (304) 457-2296, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



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

WSH:cls

pc: Greenhorne & O'Mara, Inc.  
James W. Ellars, P.E.  
Amy Swann, PSC  
Marion County Health Department  
OEHS-EED Philippi DO

## CLOSING MEMORANDUM

**To:** Financing Team

**From:** John C. Stump, Esquire

**Date:** July 20, 2010

**Re:** Town of Grant Town,  
304 Main Street, Grant Town, West Virginia 26574  
Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

---

1. DISBURSEMENTS TO TOWN OF GRANT TOWN:

Payor: West Virginia Infrastructure and Jobs Development Council  
Amount: \$199,273.68  
Form: Wire Transfer  
Bank: First Exchange Bank, 11 West Main St., Mannington, WV  
ABA No.: 051501354  
Acct. No.: 0003001414  
Contact: 304.986.1700  
Account: Series 2010 A Bonds Construction Trust Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION:

Payor: West Virginia Infrastructure and Jobs Development Council  
Source: Series 2010 A Bonds Proceeds  
Amount: \$130,247.27  
Form: Wire  
Payee: Town of Grant Town  
ABA No: 051503394  
Account No: 5270517317  
Bank: BB&T for the benefit of Municipal Bond Commission  
Contact: Sara Boardman  
Purpose: Pay the Series 2007 A Bonds

Draw Contact: Jim Hall, Region VI 304.366.5693

**TOWN OF GRANT TOWN**  
**2003W-720**

**RESOLUTION APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER  
SERVICES FOR THE PROPOSED WATER PROJECT AND  
AUTHORIZING PAYMENT THEREOF,**

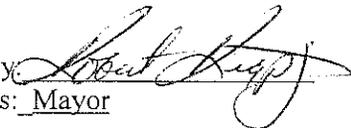
**WHEREAS**, the Town of Grant Town has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Water Project funded by the WV Infrastructure & Jobs Development Council (IJDC); and Small Cities Block Grant (SCBG) and find as follows:

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

**NOW, THEREFOR, BE IT RESOLVED** The Town of Grant Town by as follows: There is hereby authorized and directed the payment of the attached invoices from the Project Fund as follows:

Vendor	Total	IJDC	SCBG
Stephoe & Johnson	21,000.00	21,000.00	0.00
Huntington Bank	500.00	500.00	0.00
MBC (payoff design loan)	130,247.27	130,247.27	0.00
Tharp, Liotta& Yokum	6,335.45	6,335.45	0.00
Tharp, Liotta& Yokum (condemnations)	3,225.00	3,225.00	0.00
G&O	168,213.23	168,213.23	0.00
Total	329,520.95	329,520.95	0.00

**ADOPTED BY the Town of Grant Town**, at the meeting held on the 12th day of July, 2010.

By:   
Its: Mayor

Contact: Jim Hall, Region VI 304.366.5693

**SWEEP RESOLUTION**

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

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

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

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

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

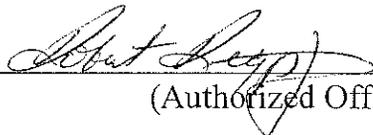
**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

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

2) Robert Riggs and Melamie Thompson are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 12th day of July, 2010.

  
\_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Authorized Officer)

TOWN OF GRANT TOWN

Water Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)

RECEIPT AND RELEASE

The undersigned duly authorized representative of the West Virginia Municipal Bond Commission, West Virginia (the "Commission"), the Paying Agent of the Town of Grant Town Waterworks System Design Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated December 20, 2007, issued in the original aggregate principal amount of \$147,560 (the "Series 2007 A Bonds") hereby certifies and declares that on July 20, 2010, the Commission received from the Town of Grant Town (the "Issuer") the sum of \$130,247.27 and that such sum is sufficient to pay in full the entire outstanding principal of and all accrued interest on the Series 2007 A Bonds to the date hereof and to discharge all liens, pledges and encumbrances securing the Series 2007 A Bonds.

Dated this 20th day of July, 2010.

WEST VIRGINIA MUNICIPAL  
BOND COMMISSION

By: \_\_\_\_\_

Its: Authorized Officer



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

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

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

February 1, 2008

The Honorable Robert Riggs, Jr.  
Mayor  
Town of Grant Town  
Post Office Box 40  
Grant Town, West Virginia 26574

Dear Mayor Riggs:

Thank you for your application to the Small Cities Block Grant Program.

Your request has been approved in the amount of \$1,500,000. These funds will enable you to construct critical improvements to the town's water system and to add 26 households.

In order to effectively use the limited dollars available, I hereby commit \$200,000 from our fiscal year 2007 allocation that will immediately be available to you. The remaining \$1,300,000 necessary to complete the project will be evaluated and committed in a future year allocation based on your ability to proceed forward with this project. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule.

Please contact Pamela K. King of the West Virginia Development Office, at (304) 558-2234, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with these improvements for the citizens of the Town of Grant Town.

With warmest regards,

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

Joe Manchin III  
Governor

JM:pkb

WEST VIRGINIA DEVELOPMENT OFFICE  
GRANT AWARD

Grant Number:  
09-120

CFDA Number: 14.228  
State Acct. No.: 8746-2009-0307-096-128

Fiscal Year: 2009  
Program Name: SCBG

Grantee Name & Address: F.E.I.N.  
  
Town of Grant Town  
Post Office Box 40  
Grant Town, West Virginia 26574

Grant Period:  
From: FEBRUARY 1, 2008  
To: FEBRUARY 1, 2011

Project Name: Water

Grant ID: B07DC540001

Project Number: 07SCBG0008X

Project Description

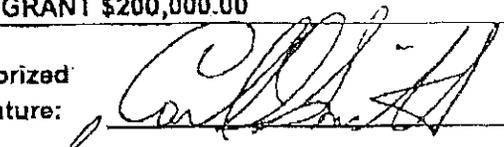
Shall do, perform and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to make improvements to town's water system and add 26 households.

Change Orders

<u>Number:</u>	<u>Date:</u>	<u>Purpose:</u>

TERMS AND CONDITIONS ARE ON FILE IN THE WEST VIRGINIA DEVELOPMENT OFFICE AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL \_\_\_\_\_, PROCESSED ON OR ABOUT \_\_\_\_\_, PAYMENT NUMBER \_\_\_\_\_.

TOTAL AMOUNT OF THIS GRANT \$200,000.00

Authorized Signature: 

Title: Executive Director

Date: 8/21/2008

Submitted By: Jeanna Bailes

**STATE OF WEST VIRGINIA  
WEST VIRGINIA DEVELOPMENT OFFICE  
NOTICE OF GRANT AWARD CHANGE**

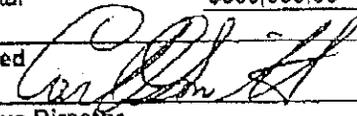
<b>Fiscal Year</b> 2009	<b>Date</b> 2/20/2009	<b>State Account #</b> 8748-2009-0307-086-128	<b>Agreement Date</b> 8/21/2208	<b>Grant Number</b> 09-120
<b>Grantee Name &amp; Address</b>  TOWN OF GRANT TOWN POST OFFICE BOX 40 GRANT TOWN, WEST VIRGINIA 26574		<b>F.E.I.N.</b>	<b>Purpose of Change:</b> ADDITIONAL FUND	
			<b>Program Name:</b> SCBG	
			<b>Project Name:</b> WATER	
			<b>Grant ID:</b> B07 & B08	
			<b>Project Number:</b> 07SCBG0008X	

**Description of Change**

Change Order # 1

<b>Justification for Change</b>  Additional funds needed to complete project.	<b>Previous Total</b>	\$200,000.00
	<b>Increase</b>	\$300,000.00
	<b>Decrease</b>	
	<b>New Total</b>	\$500,000.00

TERMS AND CONDITIONS OF ORIGINAL AGREEMENT ARE ON FILE IN THE WEST VIRGINIA DEVELOPMENT OFFICE AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL \_\_\_\_\_ PROCESSED ON OR ABOUT \_\_\_\_\_ PAYMENT # \_\_\_\_\_

Approved   
Executive Director

Submitted By \_\_\_\_\_  
Date 2/20/2009

STATE OF WEST VIRGINIA  
 WEST VIRGINIA DEVELOPMENT OFFICE  
 NOTICE OF GRANT AWARD CHANGE

Fiscal Year 2010	Date 10/5/2009	State Account # 8746-2010-0307-098-128	Agreement Date 8/21/2008	Grant Number 09-120
Grantee Name & Address  Town of Grant Town P.O. Box 40 Grant Town, West Virginia 26574		F.E.I.N.	Purpose of Change: Additional Funds	
			Program Name:	SCBG
			Project Name:	Water
			Grant ID:	B07&B08 & B09
			Project Number:	07SCBG0008X

Description of Change

Change Order # 2

Justification for Change

Additional funds needed to complete project.

Previous Total	\$500,000.00
Increase	\$1,000,000.00
Decrease	
New Total	\$1,500,000.00

TERMS AND CONDITIONS OF ORIGINAL AGREEMENT ARE ON FILE IN THE WEST VIRGINIA DEVELOPMENT OFFICE AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL PROCESSED ON OR ABOUT PAYMENT #

Approved

Executive Director

Submitted By

10/5/2009

Date

**SMALL CITIES BLOCK GRANT CONTRACT**  
**between the**  
**WEST VIRGINIA DEVELOPMENT OFFICE**  
**and the**  
**TOWN OF GRANT TOWN**

**THIS AGREEMENT**, entered into this 1st day of February, 2008, by the West Virginia Department of Finance and Administration on behalf of the West Virginia Development Office, hereinafter called the "State," and the Town of Grant Town and its authorized officers, agents, and representatives, hereinafter called the "Grantee."

**WITNESS THAT:**

**WHEREAS**, the State has elected to administer the nonentitlement portion of the Community Development Block Grant Program as authorized by Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, subject to the applicable regulations of the Department of Housing and Urban Development, including but not limited to 24 CFR Part 570, Sub-Part I, as amended or revised, and subject to the scope of the State of West Virginia's Small Cities Block Grant Handbook and other Program Guidelines, receipt of which is hereby acknowledged by the Grantee.

**WHEREAS**, the Grantee has identified its housing and community development needs, including those of low- and moderate-income persons and the activities to be undertaken to meet such needs.

**WHEREAS**, the Grantee has prepared a written citizen's participation plan which provides opportunities for citizen participation, hearings, and access to information with respect to the proposed project statement in such a manner as to afford affected citizens an opportunity for examination and comment regarding the proposed project and on the community development performance of the Grantee, a Community Development and Housing Needs Assessment Plan, and an Anti-displacement and Relocation Assistance Plan.

**WHEREAS**, for audit purposes, the Catalog of Federal Domestic Assistance (CFDA) number is 14.228, Community Development Block Grant/State's Program, funded by the U. S. Department of Housing and Urban Development.

**WHEREAS**, the Grantee has requested assistance from the State and has offered assurances that maximum feasible priority has been given to activities which will benefit low- and moderate-income families, or aid in the prevention or elimination of slums or blight, or to meet other community needs having a particular urgency because an existing condition poses a serious and immediate threat to the health and welfare of the community where other financial resources are not available to meet such needs.

**NOW, THEREFORE**, the parties hereto do mutually agree as follows:

1. **Assistance to Grantee.** The State shall obligate to the Grantee, from funds allocated to the State by Grant Agreement B-07-DC-54-0001, \$200,000 to perform such tasks hereafter described in the Scope of Services.

2. **Scope of Services.** The Grantee, or its designated agent, in accordance with the Small Cities Block Grant Handbook other Program Guidelines to be used in administration of the Small Cities Block Grant, and in accordance with the approved application of the Grantee which is attached hereto and made a part hereof as Attachment A, shall do, perform, and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to construct critical improvements to the Town of Grant Town's water system and to add 26 households.

3. **Changes.** The State and the Grantee, from time to time, may require changes in the Scope of the Services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the Grantee's compensation and work to be performed which are mutually agreed upon by and between the State and the Grantee, shall be incorporated in written amendments to this Contract. Changes in the number of L/M beneficiaries as well as in the Scope of Services which deviate from that originally approved shall require the same citizen participation process as performed for the initial submission of

the grant proposal. The State reserves the right to make final determination on questions regarding changes in the Scope of Services.

4. **Time of Performance.** The Grantee will commence its duties under this Contract on February 1, 2008, and such duties shall be undertaken and completed in such sequences as to assure their expeditious completion in light of the purpose of the Contract; but, in any event, all of the services required hereunder shall be completed by February 1, 2011. Completion date of this Contract may only be extended by mutual written agreement of both parties.

5. **Performance Measures.** Performance measures establish that the Grantee should have all other funding in place and design and engineering completed within twelve months. Furthermore, construction should be started within eighteen months after the execution of this Agreement by both parties. These performance measures establish goals against which performance under this contract can be measured and evaluated during regular scheduled monitoring visits by the State. Failure to meet these performance measures can result in termination of this contract (see Provision 10 of this agreement).

6. **Administrative Requirements and Procedures.**

(A) *Personnel.* The Grantee represents that it has or will secure personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of, or have any contractual relationship with the State, consistent with the procedures identified in the Small Cities Block Grant Handbook.

(B) *Applicable Law.* The Grantee, its agents, and subrecipients shall comply with all the restrictions, conditions, policies, guidelines, and requirements of Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended; with all applicable State and Federal Laws and regulations including 24 CFR Part 570; 24 CFR Part 85; OMB Circulars A-87, A-110, A-122, and A-133, as applicable, in administering and distributing funds provided under this Agreement including, but not limited to, the following:

(1) P.L. 88-352: Refers to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Implementing regulations are found in 24 CFR Part I.

(2) P.L. 90-284: Refers to Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-20 et. seq.) popularly known as the Fair Housing Act which provides for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap, or familial status. The Grantee further certifies that it will take actions necessary to affirmatively further fair housing.

(3) Executive Order 11063, as amended by Executive Order 12259, requires that taking of all actions necessary and appropriate to prevent discrimination because of race, color, religion (creed), sex, or national origin, in the sale, leasing, rental, or other disposition of residential property and related facilities (including land to be developed for residential use), or in the use of occupancy thereof. Implementing regulations are contained in 24 CFR 107.

(4) Section 109 of P.L. 93-383 requires that no person in the United States shall, on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

Section 109 of the Act further provides any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) or with respect to an otherwise qualified handicapped person as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply.

(5) Section 110 of P.L. 93-383 requires compliance with the Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5). By reason of the foregoing requirement,

the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327 et. seq.) and the Copeland Act (40 U.S.C. 276c) also applies. In addition, the West Virginia Act on Construction of Public Improvements, Article 5A, Chapter 21 of the West Virginia State Code applies.

(6) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701U) requiring that to the greatest extent feasible opportunities for employment and training be given to lower income persons residing within the unit of local government or metropolitan area or nonmetropolitan county in which the project is located; and that Contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the same area.

(7) Executive Order 11246, as amended by Executive Order 12086 shall apply and provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

(8) Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831b) prohibits the use, and requires the elimination and/or abatement of the hazards of lead-based paints in residential structures constructed or rehabilitated with Federal assistance to include notification of the hazards of lead-based paint. The Lead Safe Housing Regulation (24 CFR Part 35) established the requirements for notification, evaluation, and reduction of lead-based paint hazards in federally-owned residential property and housing that receives federal assistance.

(9) The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and action as specified and required in regulations issued by the Secretary of Housing and Urban Development pursuant to Section 104(g) of the Act and published in 24 CFR Part 58. In addition to assuming responsibility for National Environmental Policy Act (P.L. 91-190), the Grantee must take into account, where applicable, the criteria, standards, policies, and regulations of the following: (a) Historic Preservation Act of 1966; (b) Executive Order 11593; (c) The Reservoir Salvage Act of 1960;

(d) Flood Disaster Protection Act of 1973; (e) Executive Order 11988, Floodplain Management; (f) Executive Order 11990, Protection of Wetlands, (g) Coastal Zone Management Act of 1972; (h) the Safe Drinking Water Act of 1974; (i) the Endangered Species Act of 1973; (j) the Wild and Scenic Rivers Act of 1968; (k) the Clean Air Act ; (l) Environmental Criteria and Standards (44 FR 40860-40866, July 12, 1979); (m) 24 CFR Part 51, Subpart B, Noise Abatement and Control; (n) Subpart C - Siting of HUD Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature; (o) and Subpart D - Siting of HUD Projects in Runway Clear Zones and Accident Potential Zones at Military Airfields. Before committing any funds (other than for exempt activities), the Grantee must certify to the State that it has complied with all requirements and obligations that are set forth by 24 CFR Part 58. In addition, the Grantee must submit all requested Evidentiary Material to the State for approval prior to the obligation of any funds (other than for exempt activities).

(10) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601) and HUD implementing regulations at 24 CFR Part 42 apply to the acquisition of real property for an activity assisted under this part and to the displacement of any family, individual, business, nonprofit organization or farm that results from such acquisition. The West Virginia Code, Chapter 54-3 also applies.

The Grantee must certify compliance with URA. Under Section 104(d) of the Act, each Grantee must adopt, make public and certify that it is following a residential anti-displacement and relocation assistance plan providing one-for-one replacement units and relocation assistance. The plan must also indicate the steps that will be taken to minimize the displacement of persons from their homes as a result of any activities assisted under this part all in accordance with 24 CFR Part 570.488(b).

(11) The State and the Grantee will comply with the provisions of the Department of Treasury Circular 1075 and/or the State's Small Cities Block Grant Handbook,

as revised, in the process of requesting and administering funds from the State's Letter of Credit.

(12) Funds provided under this agreement shall not be expended for acquisition or construction purposes in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless the community in which the area is situated is participating in the National Flood Insurance Program; and flood insurance is obtained in accordance with Section 102(a) of the Flood Disaster Protection Act of 1973.

(C) *Accounting.* The Grantee will establish a separate account for the proper recording of project costs in accordance with generally accepted accounting principles and procedures so as to reflect all receipts and allowable expenditures, including program income in connection with the said project and the purpose thereof. Program income generated prior to project closeout must be expended as received for project related activities in accordance with 24 CFR 570. If the Grantee received less than \$25,000 per state fiscal year in program income after closeout, the dollars received are not subject to provision of 24 CFR 570 and may be used at the Grantee's discretion. If program income exceeds \$25,000 in any given state fiscal year after closeout, all program income earned must be expended in accordance with 24 CFR 570.489.

(D) *Audit.* Pursuant to provisions of Chapter 6, Article 9, Section 7 of the West Virginia Code, the Community Development Division has adopted the policy of accepting annual financial audits contracted or performed by the State Auditor's Office. The Grantee will include these funds to be audited with its yearly organization-wide audit. Audits shall be conducted in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133, and with standards established by the Comptroller General as specified in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Units of local government will make audit reports available for public inspection within thirty (30) days after the completion of the audit.

(E) *Record Retention.* Financial records, supporting documents, statistical records, and all other records pertinent to the grant shall be retained for a period of three years, with the following qualifications:

(1) If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.

(2) Records for nonexpendable property acquired with Federal funds shall be retained for three years after its final disposition.

(3) Records for displacement shall be retained in accordance with the Small Cities Block Grant Handbook.

(4) The retention period starts from the date of the issuance of the final audit report.

(F) *Access to Records.* The Grantee and their assigned agents shall, at any time during normal business hours and as often as the State or its designated representatives deem necessary, make available for examination all records, books, accounts, reports, files, and other papers, things or property of the Grantee with respect to the matters covered by this Contract. All negotiated contracts awarded by the Grantee shall include a provision that the Comptroller General or any duly authorized representative of the State or HUD shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific grant program for the purpose of making audit, examination, excerpts, and transcriptions.

(G) *Repayment.* The Grantee shall refund to the State or Federal government any expenditures determined to be made for an ineligible purpose for which Federal funds were received.

(H) *Competitive Procurement Procedures.* All procurement transactions, including professional services, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free

competition consistent with procedures identified in the Small Cities Block Handbook, 24 CFR Part 85, and with applicable local or State law.

The Grantee shall procure architect/engineer services in accordance with Chapter 5G of the West Virginia State Code and be in compliance with 24 CFR Part 85.

The Grantee shall procure construction contracts in accordance with Chapter 5-22-1 of the West Virginia State Code and be in compliance with federal regulations 24 CFR Part 85.

The Grantee shall solicit sealed bids for all construction-related contracts or supplies related to their project which has an estimated value of over \$25,000. All transactions under \$25,000 whether construction-related contracts, supplies, or professional services should be procured in a manner that provides maximum open and free competition and files are to be maintained to document such activities. Any attempts by the Grantee to segregate the project into sections in order to circumvent competitive procurement may be cause for termination of this Agreement under the provisions of Paragraph 9. These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions of Article Three, Chapter Fifty-Nine of the Code of West Virginia. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area within a period of fourteen consecutive days with at least an interval of six full days within such period between the date of the first publication and the date of the second publication preceding the final date of submitting bids. The Grantee shall also, where feasible, solicit sealed bids by listing the project in the F. W. Dodge Reports, sending requests by mail to prospective suppliers or contractors, sending notification to the State's Small Business Development Center Division, and by posting notice on a bulletin board in a public place. The Grantee or their designated agent shall have available upon request for review by the State or its designated representative, bid documents and other evidence of compliance with these procedures. The resolution of bid and contract disputes is the responsibility of the Grantee.

Grantees have the ability to procure professional and construction services through the design-build method (5-22A-1). Public agencies can only utilize design-build on building project. Highways, water, sewer, and all other public works projects are specifically prohibited from using the design-build method.

(I) *Bonding and Insurance.* As otherwise required by law, a grant that requires the contracting or subcontracting for construction or facility improvements under \$100,000 shall provide for the Grantee to follow local or State requirements relating to bid guarantees, performance bonds, and payment bonds provided that the Grantee's and State's interest is adequately protected and that such contracts can be executed in a timely manner; otherwise, bonding requirements shall be the same as for contracts exceeding \$100,000. If the contracts or subcontracts exceeds \$100,000, the minimum bonding and insurance requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. This bid guarantee shall consist of a firm commitment such as bid bond, certified check, or other negotiable instrument accompanying a bid that the bidder will, upon acceptance of the bid, execute the contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. This performance bond shall be executed by the successful contractor in connection with a contract to secure fulfillment of the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. This payment bond shall be executed in connection with a contract to assure payment is required by law of all persons supplying labor or materials in the execution of the work provided for in the Contract.

(J) *Facilities Operation.* The Grantee shall operate and maintain all facilities to which the general public has right of access constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the

applicable Federal, State and local statute, law, ordinance, or regulation as to actual construction procedures. The Grantee shall be responsible for maintenance and operation of such facilities upon completion. The Grantee may not change the use or planned use of any such facility (including the beneficiaries of such use) from that purpose initially approved unless the Grantee provides affected citizens with reasonable notice thereof and opportunity to comment on any proposed change all in accordance with 24 CFR Part 570.489(j).

(K) *Conflict of Interest.* No officer, agent, consultant, employee, elected or appointed official of the State, the Grantee, or any public agency or subrecipient receiving Community Development Block Grant funds who exercises or has exercised any function or responsibilities with respect to activities assisted with Community Development Block Grant funds or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from such activity or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. The conflict of interest provision of 24 CFR 85.36; 24 CFR 570.489 (g) and (h); and OMB Circular A-110 also apply as appropriate.

7. Recovery of Capital Costs. The Grantee will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds from this program by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (a) funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from other revenue sources; or (b) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Grantee certifies to the State of West Virginia that it lacks sufficient funds received under the program to comply with the requirements of clause (a).

8. **Method of Payment.** In order to receive any and all payments under the terms of this Agreement, the Grantee shall submit the following: (a) a Letter of Transmittal containing a progress report, and (b) a Request for Payment Financial Report. Upon receipt of said documents, the State shall review the same for reasonableness, appropriateness and eligibility and, if approved, will cause a warrant to be made on that sum to the Grantee for authorized expenditures from the State's Letter of Credit with the U.S. Department of Housing and Urban Development.

9. **Cost Underruns.** The State reserves the right to recapture all SCBG funds remaining due to cost underruns. The amount to be recovered will be prorated and proportional to the percent of actual total project expenditures.

10. **Termination of Contract for Cause.** If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner its obligations under this Contract or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this Contract by giving written notice to the Grantee to such termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by the State by virtue of any breach of the Contract by the Grantee, and the State may withhold any payments to the Grantee for the purpose of offsetting those damages until such time as the exact amount of damages due the State from the Grantee is determined.

11. **Termination for Convenience of the State.** The State may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the State as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

12. **Termination by the Grantee.** The Grantee may unilaterally rescind this Agreement at any time prior to the commencement of the project. After project commencement, this Agreement may be rescinded, modified, or amended only by mutual agreement. A project shall be deemed commenced when the State makes any expenditure or incurs any obligation with respect to the project.

13. **Reporting.** A Final Performance Report shall be submitted to the State with the final request for payment for project costs, excluding final audit costs. Said Performance Report shall be made on the forms provided by the State and meet the requirements of said report as set forth in the Small Cities Block Grant Handbook and other program guidelines of the State of West Virginia. Other reports may be requested by the State during the grant period as the State deems necessary and directs.

14. **Final Closeout.** Final Closeout shall be completed when the State: (a) is in receipt of a Final Performance Report; (b) has determined that all monitoring findings have been formally addressed and are resolved; and (c) has received a completed, final project audit and has determined that any findings have been resolved.

15. **Resolution of Disputes.** Resolution of disputes between the State and the Grantee concerning administrative and programmatic matters during the terms of this Agreement shall be initiated through consultation and discussion at the State's Administrative Offices with final decision on questions of policy or fact being determined by the Director of the Community Development Division of the West Virginia Development Office or his/her designated representative. Nothing in this Agreement shall be construed as making the final decision on a question of law, or to limit in any manner any remedies or recourses available under applicable laws. Citizen's complaints or disputes regarding Grantee performance or actions relative to the approved project are the responsibility of the Grantee.

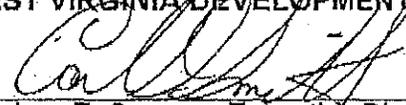
16. **Notice.** The parties hereto agree that notice shall be served when mailed certified U.S. Mail to the following addresses:

West Virginia Development Office  
**Community Development Division**  
Capitol Complex  
Building 6, Room 553  
Charleston, West Virginia 25305-0311

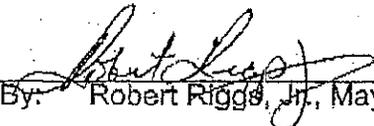
GRANTEE Town of Grant Town  
Post Office Box 40  
Grant Town, West Virginia 26574

[WITNESSETH] that the parties hereto have entered their signatures hereafter with each representing to the other that the execution of this Agreement is done with full authority and that attached hereto and made a part hereof as Attachment B, is a certified copy of the resolution, motion, or similar action of the governing body of the Grantee directing and authorizing its official representative to act in connection with this Agreement.

STATE OF WEST VIRGINIA  
WEST VIRGINIA DEVELOPMENT OFFICE

*for*   
\_\_\_\_\_  
Stephen E. Spence, Executive Director

Town of Grant Town

  
\_\_\_\_\_  
By: Robert Riggs, Jr., Mayor

FEDERAL EMPLOYER IDENTIFICATION NUMBER

\_\_\_\_\_  
F.E.I.N.