TOWN OF MILTON

Water Revenue Bonds, Series 2016 A

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TOWN OF MILTON
WATER REVENUE BONDS, SERIES 2016 A

CONFORMED BOND ORDINANCE

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PROJECT

TOWN OF MILTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE TOWN OF MILTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2016 A; 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; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 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 Milton (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State.

B. The Issuer presently owns and operates a public water system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to existing public water system of the Issuer, consisting of system rehabilitation, tank replacement and meter reading system, together with all appurtenant facilities (collectively, the "Project"), (the existing public water system of the Issuer, the Project and any further additions, betterments

and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2016 A, in the total aggregate principal amount of not more than $2,500,000(the "Series 2016 A Bonds"), initially to be represented by a single bond, 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 upon the Series 2016 A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2016 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; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2016 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 2016 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Project is not less than 20 years.

E. It is in the best interests of the Issuer that its Series 2016 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to this Bond Legislation.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

(i) Water Revenue Bond, Series 1996 (United States Department of Agricuture), dated April 26, 1996, issued in the original aggregate principal amount of $630,000 (the "Series 1996 Bonds");

(ii) Water Refunding Revenue Bonds, Series 2007 A (The Ohio Valley Bank Company), dated June 8, 2007, issued in the original aggregate principal amount of $529,300 (the "Series 2007 A Bonds");

(iii) Water Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated July 30, 2008, issued in the original aggregate principal amount of $2,893,000 (the "Series 2008 A Bonds"); and

(iv) Water Revenue Bonds, Series 2008 B (West Virginia Infrastructure Fund), dated July 30, 2008, issued in the original aggregate principal amount of $1,000,000 (the "Series 2008 B Bonds"), (collectively, the "Prior Bonds").

The Series 2016 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2016 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; (ii) the written consent of the Holders of the Series 1996 Bonds, Series 2008 A Bonds and Series 2008 B Bonds to the issuance of the Series 2016 A Bonds on a parity with the Series 1996 Bonds, Series 2008 A Bonds and Series 2008 B Bonds. The Series 2007 A Bonds do not require written consent. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Ordinances.

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

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2016 A Bonds, or will have so complied prior to issuance of any thereof.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2016 A Bonds by those who shall be 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 Registered Owners of any and all of such Series 2016 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, 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 Chapter 8, Article 19 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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

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

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

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

"Bonds" means, collectively, the Series 2016 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"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 2016 A Bonds for all or a portion of the proceeds of the Series 2016 A Bonds.

"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 The Thrasher Group, Inc., Charleston, 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 1.02C hereof to be a part of the cost of acquisition and construction of the Project.

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

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

"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.

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

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

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

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2016 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any,

deposited in the Series 2016 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2016 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation 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 Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds 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 or the registrar for Prior Bonds at or prior to said date; (ii) any Bond for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid in accordance with the resolution authorizing the issuance thereof; and (v) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds 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 other entity or authority designated as such for the Series 2016 A Bonds in the Supplemental Resolution.

"Prior Bonds" means the Series 1996 Bonds; Series 2007 A Bonds; Series 2008 A Bonds; and Series 2008 B Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer, including all amendments and supplements thereto, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the

meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

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

"Purchaser" means the purchaser or purchasers of the Series 2016 A Bonds directly from the Issuer, designated as such in the Supplemental Resolution and its successors and assigns.

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

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

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

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2016 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2016 A Bonds.

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

"Series 1996 Bonds" means the Issuer's Water Revenue Bond, Series 1996 (United States Department of Agricuture), dated April 26, 1996, issued in the original aggregate principal amount of $630,000.

"Series 2007 A Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2007 A (The Ohio Valley Bank Company), dated June 8, 2007, issued in the original aggregate principal amount of $529,300.

"Series 2008 A Bonds" means the Issuer's Water Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated July 30, 2008, issued in the original aggregate principal amount of $2,893,000.

"Series 2008 B Bonds" means the Issuer's Water Revenue Bonds, Series 2008 B (West Virginia Infrastructure Fund), dated July 30, 2008, issued in the original aggregate principal amount of $1,000,000.

"Series 2016 A Bonds" means Water Revenue Bonds, Series 2016 A of the Issuer, authorized by this Bond Legislation.

"Series 2016 A Bonds Construction Trust Fund" means the Series 2016 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2016 A Bonds Reserve Account" means the Series 2016 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2016 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 2016 A Bonds in the then current or any succeeding year.

"Series 2016 A Bonds Sinking Fund" means the Series 2016 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2016 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2016 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2016 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior Ordinances to be set aside and held for the payment of or security for

the Bonds or any other obligation of the Issuer, including, without limitation, the the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing water system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any and all additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $2,500,000, 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 2016 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.

The cost of the Project is estimated not to exceed $2,500,000, which will be obtained from proceeds of the Series 2016 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest, if any, on the Series 2016 A Bonds, funding a reserve account for the Series 2016 A Bonds, 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 2016 A Bonds of the Issuer. The Series 2016 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2016 A", in the principal amount of not more than $2,500,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2016 A Bonds remaining after funding of the Series 2016 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2016 A Bonds, if any, shall

be deposited in or credited to the Series 2016 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2016 A Bonds shall be issued in such principal amounts; shall bear interest 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. The Series 2016 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 on the Series 2016 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 Purchaser is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2016 A Bonds shall initially be issued in the form of a single bond, fully registered to the Purchaser, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2016 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2016 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 Purchaser shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2016 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 2016 A Bonds shall cease to be such officer of the Issuer before the Series 2016 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 2016 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 the authorization 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 2016 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 2016 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 2016 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 2016 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 2016 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2016 A Bonds.

The registered Series 2016 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 2016 A Bonds or transferring the registered Series 2016 A Bonds are exercised, all Series 2016 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2016 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 2016 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 2016 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2016 A Bonds or, in the case of any proposed redemption of Series 2016 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. Series 2016 A Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 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 Series 2016 A Bond of the same series and of like tenor as the Series 2016 A Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2016 A Bonds, upon surrender and cancellation of such mutilated Series 2016 A Bonds, or in lieu of and substitution for the Series 2016 A Bonds 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 Series 2016 A Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Series 2016 A Bonds shall have matured or be about to mature, instead of issuing substitute Series 2016 A Bonds, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2016 A Bonds are lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2016 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 2016 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2016 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2016 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2016 A Bonds and the Prior 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 to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2016 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2016 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Purchaser, a list of the names in which the Series 2016 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 2016 A Bonds to thePurchaser;

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

D. The unqualified approving opinion of bond counsel on the Series 2016 A Bonds.

Section 3.10. Sale of Bonds. The Series 2016 A Bonds shall be sold to the Purchaser, pursuant to this Bond Legislation.

Section 3.11. Form of Bonds. The text of the Series 2016 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 2016 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MILTON
WATER REVENUE BONDS, SERIES 2016 A

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: This ____ day of _____, 2016, that the Town of Milton, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of:

_____(Purchaser)_____

or registered assigns (the "Registered Owner"), the principal sum of_____($_____) 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 together with interest only payable monthly on the outstanding principal amounts beginning _____, 2016 to and including _____, 20___ and principal and interest payments payable monthly beginning _____, 20__ to and including _____, 20___ at the rates per annum set forth as follows:

A. Beginning _____, 2016 to and including _____, 20___ interest on this Bond shall be payable at the fixed rate of _____% (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at the rate of ____% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof 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 as Paying Agent.

[Insert prepayment penalties].

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to fund the Series 2016 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further 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 of the West Virginia Code of 1931, as amended (the "Act"), a Bond Ordinance duly enacted by the Issuer on October 6, 2015, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on _____, 2016 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

(I) WATER REVENUE BOND, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICUTURE), DATED APRIL 26, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $630,000 (THE "SERIES 1996 BONDS");

(II) WATER REFUNDING REVENUE BONDS, SERIES 2007 A (THE OHIO VALLEY BANK COMPANY), DATED JUNE 8, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $529,300 (THE "SERIES 2007 A BONDS");

(III) WATER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 30, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,893,000 (THE "SERIES 2008 A BONDS"); AND

(IV) WATER REVENUE BONDS, SERIES 2008 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 30, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2008 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2016 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2016 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 junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of _____, (the "Registrar") (as defined in the Bond Legislation), 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.

This Bond is hereby designated a "qualified tax-exempt obligation" within the

meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 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: _____, 2016.

_____
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(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:

_____

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Debt Service Account (established by the Prior Ordinances for the Series 1996 Bonds);

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

(4) Series 2016 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 (or continued if previously established by the Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

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

(2) Series 2008 A Bonds Sinking Fund (established by the Prior Ordinances);

(3) Series 2008 A Bonds Reserve Account (established by the Prior Ordinances);

(4) Series 2008 B Bonds Sinking Fund (established by the Prior Ordinances);

(5) Series 2008 B Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 2016 A Bonds Sinking Fund; and

(7) Series 2016 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and 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 and in the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to (i) the National Finance Office the amount required by Prior Ordinances to pay interest on the Series 1996 Bonds, (ii) The Ohio Valley Bank Company the amount required by Prior Ordinances to pay interest on the Series 2007 A Bonds; and (iii) to the Commission, commencing 1 month prior to the first date of payment of interest of the Series 2016 A Bonds, for deposit in the Series 2016 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due on the Series 2016 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to (i) the National Finance Office the amount required by Prior Ordinances to pay principal of the Series 1996 Bonds, (ii) The Ohio Valley Bank Company the amount required by Prior Ordinances to pay principal of the Series 2007 A Bonds; (iii) the Commission the amounts required by Prior Ordinances to pay principal of the Series 2008 A Bonds and Series 2008 B Bonds; and (iv) the Commission, commencing 1 month prior to the first date of payment of principal of the Series 2016 A Bonds, for deposit in the Series 2016 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2016 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 2016 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal

coming due on such date.

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

(4) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to (i) the Depiository Bank the amounts required by Prior Ordinances to fund the Series 1996 Bonds Reserve Account; (ii) the Commission, the amounts required by Prior Ordinances to be deposited in the respective Reserve Accounts of the Series 2007 A Bonds, Series 2008 A Bonds and Series 2008 B Bonds; and (ii) to the Commission commencing 1 month prior to the first date of payment of principal of the Series 2016 A Bonds, if not fully funded upon issuance of the Series 2016 A Bonds, for deposit in the Series 2016 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2016 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 2016 A Bonds Reserve Requirement.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2.5% of the Gross Revenues each month (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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2016 A Bonds as the same shall come due and for no other purpose.

All investment earnings on monies in the Series 2016 A Bonds Sinking Fund and the Series 2016 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 2016 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 2016 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2016 A Bonds Reserve Account which result in a reduction in the balance of the Series 2016 A Bonds Reserve Account to below the Series 2016 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 priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2016 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2016 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2016 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2016 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account, created hereunder, and all required amounts for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2016 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the

required reserve account payments with respect to the Series 2016 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.

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

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 and fees then due. The Issuer may make the necessary arrangements whereby such required payments can be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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 relevant provisions of the Prior Ordinances, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2016 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2016 A Bonds, there shall be deposited with the Commission in the Series 2016 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution for capitalizing interest on the Series 2016 A Bonds.

B. From the proceeds of the Series 2016 A Bonds, there shall be deposited with the Commission in the Series 2016 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2016 A Bonds Reserve Account.

C. As the Issuer receives advances from the Series 2016 A Bonds Construction Fund such monies shall be applied solely to payment of Costs of the Project as directed by the Issuer in the manner set forth in Section 6.02 hereof, and until expended, are hereby pledged as additional security for the Series 2016 A Bonds.

Section 6.02. Disbursements From the Series 2016 A Bonds Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2016 A Bonds Construction Trust Fund shall be made only after submission to the Purchaser of written approval from the Issuer.

Pending such application, monies in the Series 2016 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2016 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 2016 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 2016 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2016 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 2016 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2016 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2016 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2016 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. Such rates and charges shall be sufficient to comply with the requirements of the Bond Legislation. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described by water rate ordinance of the Issuer.

So long as the Series 2016 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 Bond Legislation. In the event the schedule of rates and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. So long as the Series 2016 A Bonds are outstanding, the Issuer shall not sell or dispose of all, or substantially all, of the System without either defeasing, or paying in full, the Series 2016 A Bonds.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any 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 2016 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2016 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 2016 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation 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 2016 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2016 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2016 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements to the System, refunding any or all outstanding Bonds, to pay claims which may exist against the revenues or facilities of the System, or all such purposes.

So long as the Series 1996 Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 1996 Bonds, representing 75% of the then-outstanding principal indebtedness.

So long as the Series 2007 A Bonds, Series 2008 A Bonds, Series 2008 B Bonds or Series 2016 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the additional customers to be connected to the System as a result of additions, extensions and improvements thereto, or from 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 Consulting Engineers, 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 hereinabove 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. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds 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 Gross Revenues of the System and their source of and security for payment from said Gross Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

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 lien of the Series 2016 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 lien on and source of and security for payment from such revenues, with the Series 2016 A Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall

have been made in full as required to the date of issuance of such Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

No additional bonds, notes, certificates, contracts or any other obligations shall be issued by the Town unless no Event of Default shall have occurred and be continuing with respect to the Bonds.

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

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

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 and make available generally, the report of said Independent Certified Public Accountants, to any Holder or Holders of the Series 2016 A Bonds.

Subject to the terms, conditions and provisions of 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.

Section 7.09. Rates. Prior to the issuance of the Series 2016 A Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies 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 created hereunder. Such schedule or schedules of rates and charges shall be changed and readjusted 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, if any, on the Series 2016 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2016 A Bonds, including the Prior Bonds; provided that, in the event that, amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2016 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2016 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2016 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2016 A Bonds.

All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. 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 hereof.

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 Issuer that 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.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers stating, among other things, that the Project has been or will be constructed in accordance with the plans, specifications and designs, the Project is adequate for the purposes for which it was designed, the funding plan 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 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.

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 either 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 the Issuer 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 2016 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 prime contractor and all subcontractors as their respective interests may appear, 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 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) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT 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 or the Governing Body 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 workers' 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. The Issuer shall verify such insurance prior to commencement of construction. Such insurance shall be made payable to the order of 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 and Operation of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project.

Section 7.18. Compliance with Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Act.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the 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 will provide the Purchaser, 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).

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2016 A Bonds during the term thereof is, under the terms of the Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the term thereof is, under the terms of the Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2016 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it so that the interest on the Series 2016 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions the result of which would adversely affect such exclusion.

Section 7.20 Reserved.

Section 7.21. Contracts. The Issuer shall, simultaneously with the delivery of the Series 2016 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2016 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 2016 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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 Series 2016 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2016 A Bonds which would cause the Series 2016 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2016 A Bonds) so that the interest on the Series 2016 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Designation of Series 2016 A Bonds as "Qualified Tax-Exempt Obligations." The Issuer hereby designates the Series 2016 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2016 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2016 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2016, all as determined in accordance with the Code

If the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Purchaser, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Purchaser in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Purchaser at the expense of the Issuer. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may

deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

The Issuer shall furnish to the Purchaser, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Purchaser.

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 2016 A Bonds:

> (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2016 A Bonds; or
>
> (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2016 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2016 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 Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or
>
> (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
>
> (4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to

the making and collection of sufficient rates or charges for services rendered by the System; (iii) bring suit upon the 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 Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2016 A Bonds shall be on a parity with the Prior Bonds.

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

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority

of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2016 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 2016 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2016 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2016 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2016 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 2016 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2016 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or 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 respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2016 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 exclusion of interest, if any, on the Series 2016 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 Series 2016 A 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 2016 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. Except for the Prior Ordinances, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body 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. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson, Charleston, West Virginia, as bond counsel to the Issuer in connection with the issuance by the Issuer of the Series 2016 A Bonds.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *The Herald Dispatch* a qualified newspaper of general circulation in the Town of Milton, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2016 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.

Section 11.09. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Passed on First Reading:	-	September 1, 2015
Passed on Second Reading:	-	September 15, 2015
Passed on Final Reading Following Public Hearing:	-	October 6, 2015

TOWN OF MILTON

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Milton on the 6th day of October, 2015 as supplemented by Supplemental Resolution duly adopted on May 3, 2016.

Dated: May 26, 2016.

[SEAL]

Phyllis K. Smith
Recorder

TOWN OF MILTON

Water Revenue Bonds, Series 2016 A

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2016 A OF THE TOWN OF MILTON; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS; APPROVING A CONFORMED ORDINANCE; APPROVING THE FORM OF CERTIFICATE OF DETERMINATIONS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Town of Milton (the "Issuer") in the County of Cabell, State of West Virginia, is a municipality and political subdivision of said State, the governing body of which is its Council (the "Governing Body");

WHEREAS, the Governing Body has duly and officially enacted on October 6, 2015, an Ordinance (the "Ordinance") entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE TOWN OF MILTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2015 A; 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; AND 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 Ordinance when used herein;

WHEREAS, the Ordinance provides for the issuance by the Issuer of its Water Revenue Bonds, Series 2015 A in the aggregate principal amount not to exceed $2,500,000, all in accordance with Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Issuer desires to amend the Bond Ordinance though this Supplemental Resolution and Conformed Ordinance;

WHEREAS, the Water Revenue Bonds, Series 2015 A were not issued in 2015, but will be issued in 2016;

WHEREAS, the Governing Body desires to redesignate the Water Revenue Bonds, Series 2015 A as Water Revenue Bonds, Series 2016 A;

WHEREAS, it is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2016 A (the "Bonds") in an aggregate principal amount of not more than $2,000,000, to finance the costs of acquisition and construction of the Project and costs of issuance of the Bonds and related costs;

WHEREAS, in the Ordinance, it is provided that the exact principal amount, date, maturity date, interest rate, interest and principal payment dates and other terms of the Bonds should be established by a supplemental resolution and that other matters relating to the Bonds be provided for therein;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the principal amount, date, maturity date, interest rate, interest and principal payment dates and other terms 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 COUNCIL OF THE TOWN OF MILTON:

Section 1. The Water Revenue Bonds, Series 2015 A are hereby redesignated as Water Revenue Bonds, Series 2016 A.

Section 2. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 3. For the purposes of (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs, the Governing Body of the Issuer hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed $2,000,000.

Section 4. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2016 A Bonds. The Series 2016 A Bonds shall be issued in the aggregate principal amount not to exceed $2,000,000 and shall subsequently be approved by the Mayor pursuant to the execution and delivery by the Mayor of a Certificate of Determinations with respect to the Series 2016 A Bonds, dated the date of Closing, the form of which is attached hereto as EXHIBIT B and approved hereby (the "Certificate of Determinations"); provided, however, that the specific terms of the Series 2016 A Bonds shall be as determined by the Mayor and as approved by the Mayor in the Certificate of Determinations. All other provisions relating to the Series 2016 A Bonds shall be as provided in the Supplemental Resolution.

Section 5. The Issuer hereby appoints West Virginia Municipal Bond Commission, Charleston as the Paying Agent.

Section 6. All other provisions of the Bonds and the text of the Bonds shall be in substantially the form provided in the Ordinance.

Section 7. The Mayor and Recorder are hereby authorized and directed to execute and deliver the Bonds and such other documents and certificates required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for.

Section 8. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or are reasonably anticipated to be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2016.

Section 9. The issuance of the Bonds and the acquisition and construction of the Project 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 10. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Bonds.

Section 11. The Tax Compliance Policy attached hereto as Exhibit C is hereby approved.

Section 12. The Mayor and Recorder, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

Section 13. The Milton Municipal Utilities Commission is authorized to review and approved invoices to be paid from the proceeds of the Series 2016 A Bonds.

[Remainder of Page Intentionally Blank]

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

Adopted this 3rd day of May, 2016.

TOWN OF MILTON

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Milton on May 3, 2016.

Dated: May 26, 2016.

[SEAL]

Phyllis K. Smith
Recorder

609970.00004

EXHIBIT A

CONFORMED BOND ORDINANCE

EXHIBIT B
FORM OF CERTIFICATE OF DETERMINATIONS

Town of Milton
Water Revenue Bonds, Series 2016 A

CERTIFICATE OF DETERMINATIONS

The undersigned Tom Canterbury, Mayor of the Town of Milton (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on May 3, 2016 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Water Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), hereby finds and determines this ____ day of _____, 2016 as follows:

1. The Bonds shall be sold to _____, _____, West Virginia, and shall be registered in the name of such bank pursuant to the terms of the Commitment Letter dated April 20, 2016. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

2. The Bonds shall be sold to _____ , _____, West Virginia, and shall be registered in the name of such bank pursuant to the terms of the Commitment Letter. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

3. The Water Revenue Bonds, Series 2016 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,000,000 shall be dated _____, 2016, shall mature on _____, 203___ and shall bear interest as follows:

A. Interest on the Series 2016 A Bonds shall be payable at a rate of _ _____% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be calculated on a 365/360-day year.

B. Notwithstanding any other provision herein, in the event the interest on the Series 2016 A Bonds is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on the Series 2016 A Bonds shall be payable at a rate of _____% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on the Series 2016 A Bonds is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on the Series 2016 A Bonds are paid, notwithstanding that the entire principal amount of the Series 2016 A Bonds may have been paid in full prior to the Determination of Taxability. Any interest being past due on the Series 2016 A Bonds by reason of such increase shall become immediately due and payable.

C. The Series 2016 A Bond shall be payable in _____ monthly installments, commencing _____, 2016, and continuing on the 1st day of each month thereafter to and including _____, 20____ _____. The monthly installments shall consist of principal and interest and shall be as listed on the debt service schedule attached hereto as Exhibit 1.

D. In the event any principal of the Series 2016 A Bond is prepaid prior to its scheduled payment date, there shall be a prepayment penalties as outlined below:

[_____]

4. All payments received by the Paying Agent on account of the Series 2016 A Bonds shall be applied first to payment of interest accrued on the Series 2016 A Bonds and next to payment of principal of the Series 2016 A Bonds. If not sooner paid, the entire principal amount of the Series 2016 A Bonds unpaid on _____, 20___, together with all accrued interest and any other sums due and owing upon the Series 2016 A Bonds shall be due and payable on such date.

5. The Issuer hereby appoints and designates _____, _____, West Virginia, as the Depository Bank.

6. The Issuer hereby appoints and designates _____, _____, West Virginia, as the Purchaser and Registrar.

7. Series 2016 A Bonds proceeds in the amount of $_____ shall be deposited in the Series 2016 A Bonds Reserve Account.

8. At Closing, all the bonds proceeds will be deposited into an account and shall be advanced pursuant to a Project Fund Agreement [If Required by Bank]

[Remainder of Page Intentionally Blank]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2016 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2016 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

TOWN OF MILTON

By: _____
Its: Mayor

EXHIBIT C

TAX COMPLIANCE POLICIES

Town of Milton

Purpose

Issuers of tax-exempt bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by the Town of Milton (the *"Issuer"*) with these rules in connection with the issuance of the Issuer's Water Revenue Bonds, Series 2016 A (the "*Tax-Exempt Bonds*").

Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Mayor of the Issuer or his/her designee (the "*Oversight Officer*").

- Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

Expenditure of Proceeds for Qualified Costs

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

- Bond proceeds will be disbursed pursuant to an approved form of requisition stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property and certify as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the Issuer. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be summarized in a "final allocation" of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the Tax-Exempt Bonds).

- Expenditure of proceeds will be monitored against the expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

  15% within 6 months
  60% within 12 months
  100% within 18 months

- If the 2-year spending exception to rebate applies, expenditure of "available proceeds" will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:

  10% within 6 months
  45% within 12 months
  75% within 18 months
  100% within 24 months

Expenditure of Proceeds

In addition to the general review of expenditures described above, expenditure of proceeds of the Tax-Exempt Bonds will be reviewed by the Oversight Officer.

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, and Form 8038-G) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, trustee statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

TOWN OF MILTON

_____

By:
Title: Mayor

Date: _____, 2016

Town of Milton
Water Revenue Bonds, Series 2016 A

CERTIFICATE OF DETERMINATIONS

The undersigned Tom Canterbury, Mayor of the Town of Milton (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on May 3, 2016 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Water Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), hereby finds and determines this 26th day of May, 2016 as follows:

1. The Bonds shall be sold to The Ohio Valley Bank Company, Gallipolis, Ohio, and shall be registered in the name of such bank pursuant to the terms of the Commitment Letter dated April 20, 2016. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

2. The Water Revenue Bonds, Series 2016 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,000,000 shall be dated May 26, 2016, shall mature on June 1, 2034 and shall bear interest as follows:

A. Interest on the Series 2016 A Bonds shall be payable at a rate of 2.56% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be calculated on a 365/360-day year.

B. Notwithstanding any other provision herein, in the event the interest on the Series 2016 A Bonds is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on the Series 2016 A Bonds shall be payable at a rate of 3.833% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on the Series 2016 A Bonds is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on the Series 2016 A Bonds are paid, notwithstanding that the entire principal amount of the Series 2016 A Bonds may have been paid in full prior to the Determination of Taxability. Any interest being past due on the Series 2016 A Bonds by reason of such increase shall become immediately due and payable.

C. The Series 2016 A Bond shall be payable in monthly installments, commencing August 1, 2016, and continuing on the 1st day of each month thereafter to and including June 1, 2034. The monthly installments shall consist of principal and interest and shall be as listed on the debt service schedule attached hereto as Exhibit 1.

3. All payments received by the Paying Agent on account of the Series 2016 A Bonds shall be applied first to payment of interest accrued on the Series 2016 A Bonds and next to payment of principal of the Series 2016 A Bonds. If not sooner paid, the entire principal amount of the Series 2016 A Bonds unpaid on June 1, 2034 together with all accrued interest and any other sums due and owing upon the Series 2016 A Bonds shall be due and payable on such date.

4. The Issuer hereby appoints and designates The Ohio Valley Bank Company, Milton, West Virginia, as the Depository Bank.

5. The Issuer hereby appoints and designates The Ohio Valley Bank Company, Gallipolis, Ohio, as the Purchaser and Registrar.

6. Series 2016 A Bonds proceeds in the amount of $139,660 shall be deposited in the Series 2016 A Bonds Reserve Account.

[Remainder of Page Intentionally Blank]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2016 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2016 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

TOWN OF MILTON

By: _____
Its: Mayor

TOWN OF MILTON

Water Revenue Bonds, Series 2016 A

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

The undersigned authorized representative of The Ohio Valley Bank Company, Gallipolis, Ohio (the "Purchaser"), and the undersigned Mayor of the Town of Milton (the "Issuer"), hereby certify this 26th day of May, 2016 as follows:

1. On May 26, 2016, at Milton, West Virginia, the Purchaser received the Town of Milton Water Revenue Bonds, Series 2016 A, No. AR-1, issued as a single bond in the principal amount of $2,000,000, dated May 26, 2016 (the "Series 2016 A Bonds"). The Series 2016 A Bonds represent the entire above-captioned bond issue.

2. At the time of such receipt, the Series 2016 A Bond had been executed and sealed by the designated officials of the Issuer.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of $2,000,000, being the entire principal amount of the Series 2016 A Bonds.

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

[Remainder of Page Intentionally Left Blank]

WITNESS our respective signatures dated the day and year first written above.

THE OHIO VALLEY BANK COMPANY

By: _____
Its: Authorized Officer

TOWN OF MILTON

By: _____
Its: Mayor

609970.00004

TOWN OF MILTON

Water Revenue Bonds, Series 2016 A

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Ohio Valley Bank Company
as Registrar
Gallipolis, Ohio

Ladies and Gentlemen:

As of the 26th day of May, 2016, there are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bond No. AR-1, constituting the entire original issue of the Town of Milton Water Revenue Bonds, Series 2016 A, dated May 26, 2016, in the principal amount of $2,000,000 (the "Series 2016 A Bonds"), executed by the Mayor and the Recorder of the Town of Milton (the "Issuer") and bearing the official seal of the Issuer. The Series 2016 A Bonds are authorized to be issued under and pursuant to a Bond Ordinance enacted by the Issuer on October 6, 2015, and a Supplemental Resolution and Conformed Ordinance adopted by the Issuer on May 3, 2016 (collectively, the "Ordinance").

2. A copy of the Ordinance duly certified by the Recorder.

3. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Purchaser.

You are hereby requested and authorized to authenticate, register and deliver the Series 2016 A Bonds to The Ohio Valley Bank Company, Gallipolis, Ohio, as the Purchaser thereof.

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Dated as of the day and year first written above.

TOWN OF MILTON

By:_____
Its: Mayor

609970.00004

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF MILTON
WATER REVENUE BONDS, SERIES 2016 A

No. AR-1 $2,000,000

KNOW ALL MEN BY THESE PRESENTS: This 26th day of May, 2016, that the Town of Milton, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of:

THE OHIO VALLEY BANK COMPANY

or registered assigns (the "Registered Owner"), the principal sum of TWO MILLION DOLLARS ($2,000,000) 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 together with principal and interest payments payable monthly beginning August 1, 2016 to and including June 1, 2034 at the rates per annum set forth as follows:

A. The interest on this Bond shall be payable at the fixed rate of 2.56% (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at the rate of 3.833% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof 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 as Paying Agent.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing waterworks system of the Issuer (the "Project"); (ii) to fund the Series 2016 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further 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 of the West Virginia Code of 1931, as amended (the "Act"), a Bond Ordinance duly enacted by the Issuer on October 6, 2015, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on May 3, 2016 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

(I) WATER REVENUE BOND, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICUTURE), DATED APRIL 26, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $630,000 (THE "SERIES 1996 BONDS");

(II) WATER REFUNDING REVENUE BONDS, SERIES 2007 A (THE OHIO VALLEY BANK COMPANY), DATED JUNE 8, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $529,300 (THE "SERIES 2007 A BONDS");

(III) WATER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 30, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,893,000 (THE "SERIES 2008 A BONDS"); AND

(IV) WATER REVENUE BONDS, SERIES 2008 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 30, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2008 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2016 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This

Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2016 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 junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of The Ohio Valley Bank Company, Gallipolis, Ohio (the "Registrar") (as defined in the Bond Legislation), 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.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, except inheritance, estate and transfer taxes.

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

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

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

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: May 26, 2016.

THE OHIO VALLEY BANK COMPANY
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $2,000,000	5/26/2016	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of)

ASSIGNMENT

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:

_____

TOWN OF MILTON
WATER REVENUE BONDS, SERIES 2016 A
CLOSING DATE: MAY 26, 2016
INTEREST RATE 2.57%

Date	Payment	Principal	Interest	Remaining Balance
5 /26/ 2016				2,000,000.00
8 /1/ 2016	11,638.31	2,380.23	9,258.08	1,997,619.77
9 /1/ 2016	11,638.31	7,294.99	4,343.32	1,990,324.78
10 /1/ 2016	11,638.31	7,450.45	4,187.86	1,982,874.33
11 /1/ 2016	11,638.31	7,327.05	4,311.26	1,975,547.28
12 /1/ 2016	11,638.31	7,481.54	4,156.77	1,968,065.74
1 /1/ 2017	11,638.31	7,359.25	4,279.06	1,960,706.49
2 /1/ 2017	11,638.31	7,375.25	4,263.06	1,953,331.24
3 /1/ 2017	11,638.31	7,802.29	3,836.02	1,945,528.95
4 /1/ 2017	11,638.31	7,408.25	4,230.06	1,938,120.70
5 /1/ 2017	11,638.31	7,560.29	4,078.02	1,930,560.41
6 /1/ 2017	11,638.31	7,440.80	4,197.51	1,923,119.61
7 /1/ 2017	11,638.31	7,591.86	4,046.45	1,915,527.75
8 /1/ 2017	11,638.31	7,473.48	4,164.83	1,908,054.27
9 /1/ 2017	11,638.31	7,489.73	4,148.58	1,900,564.54
10 /1/ 2017	11,638.31	7,639.31	3,999.00	1,892,925.23
11 /1/ 2017	11,638.31	7,522.62	4,115.69	1,885,402.61
12 /1/ 2017	11,638.31	7,671.22	3,967.09	1,877,731.39
1 /1/ 2018	11,638.31	7,555.66	4,082.65	1,870,175.73
2 /1/ 2018	11,638.31	7,572.09	4,066.22	1,862,603.64
3 /1/ 2018	11,638.31	7,980.46	3,657.85	1,854,623.18
4 /1/ 2018	11,638.31	7,605.90	4,032.41	1,847,017.28
5 /1/ 2018	11,638.31	7,751.98	3,886.33	1,839,265.30
6 /1/ 2018	11,638.31	7,639.29	3,999.02	1,831,626.01
7 /1/ 2018	11,638.31	7,784.37	3,853.94	1,823,841.64
8 /1/ 2018	11,638.31	7,672.83	3,965.48	1,816,168.81
9 /1/ 2018	11,638.31	7,689.51	3,948.80	1,808,479.30
10 /1/ 2018	11,638.31	7,833.07	3,805.24	1,800,646.23
11 /1/ 2018	11,638.31	7,723.26	3,915.05	1,792,922.97
12 /1/ 2018	11,638.31	7,865.80	3,772.51	1,785,057.17
1 /1/ 2019	11,638.31	7,757.16	3,881.15	1,777,300.01
2 /1/ 2019	11,638.31	7,774.02	3,864.29	1,769,525.99
3 /1/ 2019	11,638.31	8,163.25	3,475.06	1,761,362.74
4 /1/ 2019	11,638.31	7,808.67	3,829.64	1,753,554.07
5 /1/ 2019	11,638.31	7,948.64	3,689.67	1,745,605.43
6 /1/ 2019	11,638.31	7,842.93	3,795.38	1,737,762.50
7 /1/ 2019	11,638.31	7,981.87	3,656.44	1,729,780.63
8 /1/ 2019	11,638.31	7,877.34	3,760.97	1,721,903.29
9 /1/ 2019	11,638.31	7,894.47	3,743.84	1,714,008.82
10 /1/ 2019	11,638.31	8,031.85	3,606.46	1,705,976.97

11 /1/ 2019	11,638.31	7,929.10	3,709.21	1,698,047.87
12 /1/ 2019	11,638.31	8,065.43	3,572.88	1,689,982.44
1 /1/ 2020	11,638.31	7,963.87	3,674.44	1,682,018.57
2 /1/ 2020	11,638.31	7,981.19	3,657.12	1,674,037.38
3 /1/ 2020	11,638.31	8,233.36	3,404.95	1,665,804.02
4 /1/ 2020	11,638.31	8,016.44	3,621.87	1,657,787.58
5 /1/ 2020	11,638.31	8,150.14	3,488.17	1,649,637.44
6 /1/ 2020	11,638.31	8,051.59	3,586.72	1,641,585.85
7 /1/ 2020	11,638.31	8,184.23	3,454.08	1,633,401.62
8 /1/ 2020	11,638.31	8,086.89	3,551.42	1,625,314.73
9 /1/ 2020	11,638.31	8,104.48	3,533.83	1,617,210.25
10 /1/ 2020	11,638.31	8,235.52	3,402.79	1,608,974.73
11 /1/ 2020	11,638.31	8,140.00	3,498.31	1,600,834.73
12 /1/ 2020	11,638.31	8,269.98	3,368.33	1,592,564.75
1 /1/ 2021	11,638.31	8,175.68	3,462.63	1,584,389.07
2 /1/ 2021	11,638.31	8,193.46	3,444.85	1,576,195.61
3 /1/ 2021	11,638.31	8,542.92	3,095.39	1,567,652.69
4 /1/ 2021	11,638.31	8,229.85	3,408.46	1,559,422.84
5 /1/ 2021	11,638.31	8,357.11	3,281.20	1,551,065.73
6 /1/ 2021	11,638.31	8,265.91	3,372.40	1,542,799.82
7 /1/ 2021	11,638.31	8,392.09	3,246.22	1,534,407.73
8 /1/ 2021	11,638.31	8,302.13	3,336.18	1,526,105.60
9 /1/ 2021	11,638.31	8,320.18	3,318.13	1,517,785.42
10 /1/ 2021	11,638.31	8,444.72	3,193.59	1,509,340.70
11 /1/ 2021	11,638.31	8,356.63	3,281.68	1,500,984.07
12 /1/ 2021	11,638.31	8,480.08	3,158.23	1,492,503.99
1 /1/ 2022	11,638.31	8,393.24	3,245.07	1,484,110.75
2 /1/ 2022	11,638.31	8,411.49	3,226.82	1,475,699.26
3 /1/ 2022	11,638.31	8,740.28	2,898.03	1,466,958.98
4 /1/ 2022	11,638.31	8,448.78	3,189.53	1,458,510.20
5 /1/ 2022	11,638.31	8,569.44	3,068.87	1,449,940.76
6 /1/ 2022	11,638.31	8,485.78	3,152.53	1,441,454.98
7 /1/ 2022	11,638.31	8,605.33	3,032.98	1,432,849.65
8 /1/ 2022	11,638.31	8,522.94	3,115.37	1,424,326.71
9 /1/ 2022	11,638.31	8,541.47	3,096.84	1,415,785.24
10 /1/ 2022	11,638.31	8,659.34	2,978.97	1,407,125.90
11 /1/ 2022	11,638.31	8,578.87	3,059.44	1,398,547.03
12 /1/ 2022	11,638.31	8,695.61	2,942.70	1,389,851.42
1 /1/ 2023	11,638.31	8,616.43	3,021.88	1,381,234.99
2 /1/ 2023	11,638.31	8,635.16	3,003.15	1,372,599.83
3 /1/ 2023	11,638.31	8,942.75	2,695.56	1,363,657.08
4 /1/ 2023	11,638.31	8,673.38	2,964.93	1,354,983.70
5 /1/ 2023	11,638.31	8,787.28	2,851.03	1,346,196.42
6 /1/ 2023	11,638.31	8,711.35	2,926.96	1,337,485.07
7 /1/ 2023	11,638.31	8,824.09	2,814.22	1,328,660.98
8 /1/ 2023	11,638.31	8,749.47	2,888.84	1,319,911.51
9 /1/ 2023	11,638.31	8,768.50	2,869.81	1,311,143.01

10	/1/ 2023	11,638.31	8,879.52	2,758.79	1,302,263.49
11	/1/ 2023	11,638.31	8,806.87	2,831.44	1,293,456.62
12	/1/ 2023	11,638.31	8,916.74	2,721.57	1,284,539.88
1	/1/ 2024	11,638.31	8,845.40	2,792.91	1,275,694.48
2	/1/ 2024	11,638.31	8,864.64	2,773.67	1,266,829.84
3	/1/ 2024	11,638.31	9,061.61	2,576.70	1,257,768.23
4	/1/ 2024	11,638.31	8,903.61	2,734.70	1,248,864.62
5	/1/ 2024	11,638.31	9,010.56	2,627.75	1,239,854.06
6	/1/ 2024	11,638.31	8,942.56	2,695.75	1,230,911.50
7	/1/ 2024	11,638.31	9,048.34	2,589.97	1,221,863.16
8	/1/ 2024	11,638.31	8,981.68	2,656.63	1,212,881.48
9	/1/ 2024	11,638.31	9,001.21	2,637.10	1,203,880.27
10	/1/ 2024	11,638.31	9,105.21	2,533.10	1,194,775.06
11	/1/ 2024	11,638.31	9,040.57	2,597.74	1,185,734.49
12	/1/ 2024	11,638.31	9,143.39	2,494.92	1,176,591.10
1	/1/ 2025	11,638.31	9,080.11	2,558.20	1,167,510.99
2	/1/ 2025	11,638.31	9,099.85	2,538.46	1,158,411.14
3	/1/ 2025	11,638.31	9,363.38	2,274.93	1,149,047.76
4	/1/ 2025	11,638.31	9,140.00	2,498.31	1,139,907.76
5	/1/ 2025	11,638.31	9,239.82	2,398.49	1,130,667.94
6	/1/ 2025	11,638.31	9,179.96	2,458.35	1,121,487.98
7	/1/ 2025	11,638.31	9,278.58	2,359.73	1,112,209.40
8	/1/ 2025	11,638.31	9,220.09	2,418.22	1,102,989.31
9	/1/ 2025	11,638.31	9,240.14	2,398.17	1,093,749.17
10	/1/ 2025	11,638.31	9,336.94	2,301.37	1,084,412.23
11	/1/ 2025	11,638.31	9,280.53	2,357.78	1,075,131.70
12	/1/ 2025	11,638.31	9,376.12	2,262.19	1,065,755.58
1	/1/ 2026	11,638.31	9,321.09	2,317.22	1,056,434.49
2	/1/ 2026	11,638.31	9,341.36	2,296.95	1,047,093.13
3	/1/ 2026	11,638.31	9,581.99	2,056.32	1,037,511.14
4	/1/ 2026	11,638.31	9,382.50	2,255.81	1,028,128.64
5	/1/ 2026	11,638.31	9,475.01	2,163.30	1,018,653.63
6	/1/ 2026	11,638.31	9,423.51	2,214.80	1,009,230.12
7	/1/ 2026	11,638.31	9,514.78	2,123.53	999,715.34
8	/1/ 2026	11,638.31	9,464.68	2,173.63	990,250.66
9	/1/ 2026	11,638.31	9,485.26	2,153.05	980,765.40
10	/1/ 2026	11,638.31	9,574.67	2,063.64	971,190.73
11	/1/ 2026	11,638.31	9,526.70	2,111.61	961,664.03
12	/1/ 2026	11,638.31	9,614.86	2,023.45	952,049.17
1	/1/ 2027	11,638.31	9,568.32	2,069.99	942,480.85
2	/1/ 2027	11,638.31	9,589.12	2,049.19	932,891.73
3	/1/ 2027	11,638.31	9,806.26	1,832.05	923,085.47
4	/1/ 2027	11,638.31	9,631.29	2,007.02	913,454.18
5	/1/ 2027	11,638.31	9,716.30	1,922.01	903,737.88
6	/1/ 2027	11,638.31	9,673.36	1,964.95	894,064.52
7	/1/ 2027	11,638.31	9,757.10	1,881.21	884,307.42
8	/1/ 2027	11,638.31	9,715.61	1,922.70	874,591.81

9	/1/ 2027	11,638.31	9,736.73	1,901.58	864,855.08
10	/1/ 2027	11,638.31	9,818.56	1,819.75	855,036.52
11	/1/ 2027	11,638.31	9,779.25	1,859.06	845,257.27
12	/1/ 2027	11,638.31	9,859.80	1,778.51	835,397.47
1	/1/ 2028	11,638.31	9,821.95	1,816.36	825,575.52
2	/1/ 2028	11,638.31	9,843.31	1,795.00	815,732.21
3	/1/ 2028	11,638.31	9,979.13	1,659.18	805,753.08
4	/1/ 2028	11,638.31	9,886.40	1,751.91	795,866.68
5	/1/ 2028	11,638.31	9,963.72	1,674.59	785,902.96
6	/1/ 2028	11,638.31	9,929.56	1,708.75	775,973.40
7	/1/ 2028	11,638.31	10,005.58	1,632.73	765,967.82
8	/1/ 2028	11,638.31	9,972.91	1,665.40	755,994.91
9	/1/ 2028	11,638.31	9,994.59	1,643.72	746,000.32
10	/1/ 2028	11,638.31	10,068.64	1,569.67	735,931.68
11	/1/ 2028	11,638.31	10,038.21	1,600.10	725,893.47
12	/1/ 2028	11,638.31	10,110.95	1,527.36	715,782.52
1	/1/ 2029	11,638.31	10,082.02	1,556.29	705,700.50
2	/1/ 2029	11,638.31	10,103.94	1,534.37	695,596.56
3	/1/ 2029	11,638.31	10,272.27	1,366.04	685,324.29
4	/1/ 2029	11,638.31	10,148.25	1,490.06	675,176.04
5	/1/ 2029	11,638.31	10,217.67	1,420.64	664,958.37
6	/1/ 2029	11,638.31	10,192.53	1,445.78	654,765.84
7	/1/ 2029	11,638.31	10,260.61	1,377.70	644,505.23
8	/1/ 2029	11,638.31	10,237.00	1,401.31	634,268.23
9	/1/ 2029	11,638.31	10,259.25	1,379.06	624,008.98
10	/1/ 2029	11,638.31	10,325.33	1,312.98	613,683.65
11	/1/ 2029	11,638.31	10,304.01	1,334.30	603,379.64
12	/1/ 2029	11,638.31	10,368.73	1,269.58	593,010.91
1	/1/ 2030	11,638.31	10,348.96	1,289.35	582,661.95
2	/1/ 2030	11,638.31	10,371.46	1,266.85	572,290.49
3	/1/ 2030	11,638.31	10,514.43	1,123.88	561,776.06
4	/1/ 2030	11,638.31	10,416.87	1,221.44	551,359.19
5	/1/ 2030	11,638.31	10,478.19	1,160.12	540,881.00
6	/1/ 2030	11,638.31	10,462.30	1,176.01	530,418.70
7	/1/ 2030	11,638.31	10,522.25	1,116.06	519,896.45
8	/1/ 2030	11,638.31	10,507.93	1,130.38	509,388.52
9	/1/ 2030	11,638.31	10,530.77	1,107.54	498,857.75
10	/1/ 2030	11,638.31	10,588.66	1,049.65	488,269.09
11	/1/ 2030	11,638.31	10,576.69	1,061.62	477,692.40
12	/1/ 2030	11,638.31	10,633.19	1,005.12	467,059.21
1	/1/ 2031	11,638.31	10,622.81	1,015.50	456,436.40
2	/1/ 2031	11,638.31	10,645.90	992.41	445,790.50
3	/1/ 2031	11,638.31	10,762.85	875.46	435,027.65
4	/1/ 2031	11,638.31	10,692.45	945.86	424,335.20
5	/1/ 2031	11,638.31	10,745.46	892.85	413,589.74
6	/1/ 2031	11,638.31	10,739.06	899.25	402,850.68
7	/1/ 2031	11,638.31	10,790.67	847.64	392,060.01

8	/1/ 2031	11,638.31	10,785.87	852.44	381,274.14
9	/1/ 2031	11,638.31	10,809.33	828.98	370,464.81
10	/1/ 2031	11,638.31	10,858.81	779.50	359,606.00
11	/1/ 2031	11,638.31	10,856.44	781.87	348,749.56
12	/1/ 2031	11,638.31	10,904.50	733.81	337,845.06
1	/1/ 2032	11,638.31	10,903.75	734.56	326,941.31
2	/1/ 2032	11,638.31	10,927.46	710.85	316,013.85
3	/1/ 2032	11,638.31	10,995.55	642.76	305,018.30
4	/1/ 2032	11,638.31	10,975.13	663.18	294,043.17
5	/1/ 2032	11,638.31	11,019.61	618.70	283,023.56
6	/1/ 2032	11,638.31	11,022.95	615.36	272,000.61
7	/1/ 2032	11,638.31	11,065.99	572.32	260,934.62
8	/1/ 2032	11,638.31	11,070.97	567.34	249,863.65
9	/1/ 2032	11,638.31	11,095.04	543.27	238,768.61
10	/1/ 2032	11,638.31	11,135.91	502.40	227,632.70
11	/1/ 2032	11,638.31	11,143.38	494.93	216,489.32
12	/1/ 2032	11,638.31	11,182.79	455.52	205,306.53
1	/1/ 2033	11,638.31	11,191.92	446.39	194,114.61
2	/1/ 2033	11,638.31	11,216.26	422.05	182,898.35
3	/1/ 2033	11,638.31	11,279.13	359.18	171,619.22
4	/1/ 2033	11,638.31	11,265.17	373.14	160,354.05
5	/1/ 2033	11,638.31	11,300.91	337.40	149,053.14
6	/1/ 2033	11,638.31	11,314.23	324.08	137,738.91
7	/1/ 2033	11,638.31	11,348.49	289.82	126,390.42
8	/1/ 2033	11,638.31	11,363.51	274.80	115,026.91
9	/1/ 2033	11,638.31	11,388.21	250.10	103,638.70
10	/1/ 2033	11,638.31	11,420.24	218.07	92,218.46
11	/1/ 2033	11,638.31	11,437.80	200.51	80,780.66
12	/1/ 2033	11,638.31	11,468.34	169.97	69,312.32
1	/1/ 2034	11,638.31	11,487.61	150.70	57,824.71
2	/1/ 2034	11,638.31	11,512.58	125.73	46,312.13
3	/1/ 2034	11,638.31	11,547.36	90.95	34,764.77
4	/1/ 2034	11,638.31	11,562.72	75.59	23,202.05
5	/1/ 2034	11,638.31	11,589.49	48.82	11,612.56
6	/1/ 2034	11,638.31	11,613.06	25.25	-0.50
		2,502,236.65	2,000,000.50	502,236.15	

Amortization

Borrower name MILTON
Address
Loan number

Date		Amount	Payment	Principal	Interest	Remaining Balance
05-27-2016	Fixed Rate	2.560				
05-27-2016	Funding	2,000,000.00				2,000,000.00
08-01-2016	Regular Pmt		11,638.31	2,380.23	9,258.08	1,997,619.77
09-01-2016	Regular Pmt		11,638.31	7,294.99	4,343.32	1,990,324.78
10-01-2016	Regular Pmt		11,638.31	7,450.45	4,187.86	1,982,874.33
11-01-2016	Regular Pmt		11,638.31	7,327.05	4,311.26	1,975,547.28
12-01-2016	Regular Pmt		11,638.31	7,481.54	4,156.77	1,968,065.74
2016 Totals:			58,191.55	31,934.26	26,257.29	
01-01-2017	Regular Pmt		11,638.31	7,359.25	4,279.06	1,960,706.49
02-01-2017	Regular Pmt		11,638.31	7,375.25	4,263.06	1,953,331.24
03-01-2017	Regular Pmt		11,638.31	7,802.29	3,836.02	1,945,528.95
04-01-2017	Regular Pmt		11,638.31	7,408.25	4,230.06	1,938,120.70
05-01-2017	Regular Pmt		11,638.31	7,560.29	4,078.02	1,930,560.41
06-01-2017	Regular Pmt		11,638.31	7,440.80	4,197.51	1,923,119.61
07-01-2017	Regular Pmt		11,638.31	7,591.86	4,046.45	1,915,527.75
08-01-2017	Regular Pmt		11,638.31	7,473.48	4,164.83	1,908,054.27
09-01-2017	Regular Pmt		11,638.31	7,489.73	4,148.58	1,900,564.54
10-01-2017	Regular Pmt		11,638.31	7,639.31	3,999.00	1,892,925.23
11-01-2017	Regular Pmt		11,638.31	7,522.62	4,115.69	1,885,402.61
12-01-2017	Regular Pmt		11,638.31	7,671.22	3,967.09	1,877,731.39
2017 Totals:			139,659.72	90,334.35	49,325.37	
01-01-2018	Regular Pmt		11,638.31	7,555.66	4,082.65	1,870,175.73
02-01-2018	Regular Pmt		11,638.31	7,572.09	4,066.22	1,862,603.64
03-01-2018	Regular Pmt		11,638.31	7,980.46	3,657.85	1,854,623.18
04-01-2018	Regular Pmt		11,638.31	7,605.90	4,032.41	1,847,017.28
05-01-2018	Regular Pmt		11,638.31	7,751.98	3,886.33	1,839,265.30
06-01-2018	Regular Pmt		11,638.31	7,639.29	3,999.02	1,831,626.01

07-01-2018 Regular Pmt	11,638.31	7,784.37	3,853.94	1,823,841.64
08-01-2018 Regular Pmt	11,638.31	7,672.83	3,965.48	1,816,168.81
09-01-2018 Regular Pmt	11,638.31	7,689.51	3,948.80	1,808,479.30
10-01-2018 Regular Pmt	11,638.31	7,833.07	3,805.24	1,800,646.23
11-01-2018 Regular Pmt	11,638.31	7,723.26	3,915.05	1,792,922.97
12-01-2018 Regular Pmt	11,638.31	7,865.80	3,772.51	1,785,057.17
2018 Totals:	139,659.72	92,674.22	46,985.50	
01-01-2019 Regular Pmt	11,638.31	7,757.16	3,881.15	1,777,300.01
02-01-2019 Regular Pmt	11,638.31	7,774.02	3,864.29	1,769,525.99
03-01-2019 Regular Pmt	11,638.31	8,163.25	3,475.06	1,761,362.74
04-01-2019 Regular Pmt	11,638.31	7,808.67	3,829.64	1,753,554.07
05-01-2019 Regular Pmt	11,638.31	7,948.64	3,689.67	1,745,605.43
06-01-2019 Regular Pmt	11,638.31	7,842.93	3,795.38	1,737,762.50
07-01-2019 Regular Pmt	11,638.31	7,981.87	3,656.44	1,729,780.63
08-01-2019 Regular Pmt	11,638.31	7,877.34	3,760.97	1,721,903.29
09-01-2019 Regular Pmt	11,638.31	7,894.47	3,743.84	1,714,008.82
10-01-2019 Regular Pmt	11,638.31	8,031.85	3,606.46	1,705,976.97
11-01-2019 Regular Pmt	11,638.31	7,929.10	3,709.21	1,698,047.87
12-01-2019 Regular Pmt	11,638.31	8,065.43	3,572.88	1,689,982.44
2019 Totals:	139,659.72	95,074.73	44,584.99	
01-01-2020 Regular Pmt	11,638.31	7,963.87	3,674.44	1,682,018.57
02-01-2020 Regular Pmt	11,638.31	7,981.19	3,657.12	1,674,037.38
03-01-2020 Regular Pmt	11,638.31	8,233.36	3,404.95	1,665,804.02
04-01-2020 Regular Pmt	11,638.31	8,016.44	3,621.87	1,657,787.58
05-01-2020 Regular Pmt	11,638.31	8,150.14	3,488.17	1,649,637.44
06-01-2020 Regular Pmt	11,638.31	8,051.59	3,586.72	1,641,585.85
07-01-2020 Regular Pmt	11,638.31	8,184.23	3,454.08	1,633,401.62
08-01-2020 Regular Pmt	11,638.31	8,086.89	3,551.42	1,625,314.73
09-01-2020 Regular Pmt	11,638.31	8,104.48	3,533.83	1,617,210.25
10-01-2020 Regular Pmt	11,638.31	8,235.52	3,402.79	1,608,974.73
11-01-2020 Regular Pmt	11,638.31	8,140.00	3,498.31	1,600,834.73
12-01-2020 Regular Pmt	11,638.31	8,269.98	3,368.33	1,592,564.75
2020 Totals:	139,659.72	97,417.69	42,242.03	
01-01-2021 Regular Pmt	11,638.31	8,175.68	3,462.63	1,584,389.07
02-01-2021 Regular Pmt	11,638.31	8,193.46	3,444.85	1,576,195.61
03-01-2021 Regular Pmt	11,638.31	8,542.92	3,095.39	1,567,652.69

04-01-2021	Regular Pmt	11,638.31	8,229.85	3,408.46	1,559,422.84
05-01-2021	Regular Pmt	11,638.31	8,357.11	3,281.20	1,551,065.73
06-01-2021	Regular Pmt	11,638.31	8,265.91	3,372.40	1,542,799.82
07-01-2021	Regular Pmt	11,638.31	8,392.09	3,246.22	1,534,407.73
08-01-2021	Regular Pmt	11,638.31	8,302.13	3,336.18	1,526,105.60
09-01-2021	Regular Pmt	11,638.31	8,320.18	3,318.13	1,517,785.42
10-01-2021	Regular Pmt	11,638.31	8,444.72	3,193.59	1,509,340.70
11-01-2021	Regular Pmt	11,638.31	8,356.63	3,281.68	1,500,984.07
12-01-2021	Regular Pmt	11,638.31	8,480.08	3,158.23	1,492,503.99
2021 Totals:		139,659.72	100,060.76	39,598.96	
01-01-2022	Regular Pmt	11,638.31	8,393.24	3,245.07	1,484,110.75
02-01-2022	Regular Pmt	11,638.31	8,411.49	3,226.82	1,475,699.26
03-01-2022	Regular Pmt	11,638.31	8,740.28	2,898.03	1,466,958.98
04-01-2022	Regular Pmt	11,638.31	8,448.78	3,189.53	1,458,510.20
05-01-2022	Regular Pmt	11,638.31	8,569.44	3,068.87	1,449,940.76
06-01-2022	Regular Pmt	11,638.31	8,485.78	3,152.53	1,441,454.98
07-01-2022	Regular Pmt	11,638.31	8,605.33	3,032.98	1,432,849.65
08-01-2022	Regular Pmt	11,638.31	8,522.94	3,115.37	1,424,326.71
09-01-2022	Regular Pmt	11,638.31	8,541.47	3,096.84	1,415,785.24
10-01-2022	Regular Pmt	11,638.31	8,659.34	2,978.97	1,407,125.90
11-01-2022	Regular Pmt	11,638.31	8,578.87	3,059.44	1,398,547.03
12-01-2022	Regular Pmt	11,638.31	8,695.61	2,942.70	1,389,851.42
2022 Totals:		139,659.72	102,652.57	37,007.15	
01-01-2023	Regular Pmt	11,638.31	8,616.43	3,021.88	1,381,234.99
02-01-2023	Regular Pmt	11,638.31	8,635.16	3,003.15	1,372,599.83
03-01-2023	Regular Pmt	11,638.31	8,942.75	2,695.56	1,363,657.08
04-01-2023	Regular Pmt	11,638.31	8,673.38	2,964.93	1,354,983.70
05-01-2023	Regular Pmt	11,638.31	8,787.28	2,851.03	1,346,196.42
06-01-2023	Regular Pmt	11,638.31	8,711.35	2,926.96	1,337,485.07
07-01-2023	Regular Pmt	11,638.31	8,824.09	2,814.22	1,328,660.98
08-01-2023	Regular Pmt	11,638.31	8,749.47	2,888.84	1,319,911.51
09-01-2023	Regular Pmt	11,638.31	8,768.50	2,869.81	1,311,143.01
10-01-2023	Regular Pmt	11,638.31	8,879.52	2,758.79	1,302,263.49
11-01-2023	Regular Pmt	11,638.31	8,806.87	2,831.44	1,293,456.62
12-01-2023	Regular Pmt	11,638.31	8,916.74	2,721.57	1,284,539.88
2023 Totals:		139,659.72	105,311.54	34,348.18	

01-01-2024	Regular Pmt	11,638.31	8,845.40	2,792.91	1,275,694.48
02-01-2024	Regular Pmt	11,638.31	8,864.64	2,773.67	1,266,829.84
03-01-2024	Regular Pmt	11,638.31	9,061.61	2,576.70	1,257,768.23
04-01-2024	Regular Pmt	11,638.31	8,903.61	2,734.70	1,248,864.62
05-01-2024	Regular Pmt	11,638.31	9,010.56	2,627.75	1,239,854.06
06-01-2024	Regular Pmt	11,638.31	8,942.56	2,695.75	1,230,911.50
07-01-2024	Regular Pmt	11,638.31	9,048.34	2,589.97	1,221,863.16
08-01-2024	Regular Pmt	11,638.31	8,981.68	2,656.63	1,212,881.48
09-01-2024	Regular Pmt	11,638.31	9,001.21	2,637.10	1,203,880.27
10-01-2024	Regular Pmt	11,638.31	9,105.21	2,533.10	1,194,775.06
11-01-2024	Regular Pmt	11,638.31	9,040.57	2,597.74	1,185,734.49
12-01-2024	Regular Pmt	11,638.31	9,143.39	2,494.92	1,176,591.10
2024 Totals:		139,659.72	107,948.78	31,710.94	
01-01-2025	Regular Pmt	11,638.31	9,080.11	2,558.20	1,167,510.99
02-01-2025	Regular Pmt	11,638.31	9,099.85	2,538.46	1,158,411.14
03-01-2025	Regular Pmt	11,638.31	9,363.38	2,274.93	1,149,047.76
04-01-2025	Regular Pmt	11,638.31	9,140.00	2,498.31	1,139,907.76
05-01-2025	Regular Pmt	11,638.31	9,239.82	2,398.49	1,130,667.94
06-01-2025	Regular Pmt	11,638.31	9,179.96	2,458.35	1,121,487.98
07-01-2025	Regular Pmt	11,638.31	9,278.58	2,359.73	1,112,209.40
08-01-2025	Regular Pmt	11,638.31	9,220.09	2,418.22	1,102,989.31
09-01-2025	Regular Pmt	11,638.31	9,240.14	2,398.17	1,093,749.17
10-01-2025	Regular Pmt	11,638.31	9,336.94	2,301.37	1,084,412.23
11-01-2025	Regular Pmt	11,638.31	9,280.53	2,357.78	1,075,131.70
12-01-2025	Regular Pmt	11,638.31	9,376.12	2,262.19	1,065,755.58
2025 Totals:		139,659.72	110,835.52	28,824.20	
01-01-2026	Regular Pmt	11,638.31	9,321.09	2,317.22	1,056,434.49
02-01-2026	Regular Pmt	11,638.31	9,341.36	2,296.95	1,047,093.13
03-01-2026	Regular Pmt	11,638.31	9,581.99	2,056.32	1,037,511.14
04-01-2026	Regular Pmt	11,638.31	9,382.50	2,255.81	1,028,128.64
05-01-2026	Regular Pmt	11,638.31	9,475.01	2,163.30	1,018,653.63
06-01-2026	Regular Pmt	11,638.31	9,423.51	2,214.80	1,009,230.12
07-01-2026	Regular Pmt	11,638.31	9,514.78	2,123.53	999,715.34
08-01-2026	Regular Pmt	11,638.31	9,464.68	2,173.63	990,250.66
09-01-2026	Regular Pmt	11,638.31	9,485.26	2,153.05	980,765.40
10-01-2026	Regular Pmt	11,638.31	9,574.67	2,063.64	971,190.73
11-01-2026	Regular Pmt	11,638.31	9,526.70	2,111.61	961,664.03
12-01-2026	Regular Pmt	11,638.31	9,614.86	2,023.45	952,049.17

2026 Totals:	139,659.72	113,706.41	25,953.31	
01-01-2027 Regular Pmt	11,638.31	9,568.32	2,069.99	942,480.85
02-01-2027 Regular Pmt	11,638.31	9,589.12	2,049.19	932,891.73
03-01-2027 Regular Pmt	11,638.31	9,806.26	1,832.05	923,085.47
04-01-2027 Regular Pmt	11,638.31	9,631.29	2,007.02	913,454.18
05-01-2027 Regular Pmt	11,638.31	9,716.30	1,922.01	903,737.88
06-01-2027 Regular Pmt	11,638.31	9,673.36	1,964.95	894,064.52
07-01-2027 Regular Pmt	11,638.31	9,757.10	1,881.21	884,307.42
08-01-2027 Regular Pmt	11,638.31	9,715.61	1,922.70	874,591.81
09-01-2027 Regular Pmt	11,638.31	9,736.73	1,901.58	864,855.08
10-01-2027 Regular Pmt	11,638.31	9,818.56	1,819.75	855,036.52
11-01-2027 Regular Pmt	11,638.31	9,779.25	1,859.06	845,257.27
12-01-2027 Regular Pmt	11,638.31	9,859.80	1,778.51	835,397.47
2027 Totals:	139,659.72	116,651.70	23,008.02	
01-01-2028 Regular Pmt	11,638.31	9,821.95	1,816.36	825,575.52
02-01-2028 Regular Pmt	11,638.31	9,843.31	1,795.00	815,732.21
03-01-2028 Regular Pmt	11,638.31	9,979.13	1,659.18	805,753.08
04-01-2028 Regular Pmt	11,638.31	9,886.40	1,751.91	795,866.68
05-01-2028 Regular Pmt	11,638.31	9,963.72	1,674.59	785,902.96
06-01-2028 Regular Pmt	11,638.31	9,929.56	1,708.75	775,973.40
07-01-2028 Regular Pmt	11,638.31	10,005.58	1,632.73	765,967.82
08-01-2028 Regular Pmt	11,638.31	9,972.91	1,665.40	755,994.91
09-01-2028 Regular Pmt	11,638.31	9,994.59	1,643.72	746,000.32
10-01-2028 Regular Pmt	11,638.31	10,068.64	1,569.67	735,931.68
11-01-2028 Regular Pmt	11,638.31	10,038.21	1,600.10	725,893.47
12-01-2028 Regular Pmt	11,638.31	10,110.95	1,527.36	715,782.52
2028 Totals:	139,659.72	119,614.95	20,044.77	
01-01-2029 Regular Pmt	11,638.31	10,082.02	1,556.29	705,700.50
02-01-2029 Regular Pmt	11,638.31	10,103.94	1,534.37	695,596.56
03-01-2029 Regular Pmt	11,638.31	10,272.27	1,366.04	685,324.29
04-01-2029 Regular Pmt	11,638.31	10,148.25	1,490.06	675,176.04
05-01-2029 Regular Pmt	11,638.31	10,217.67	1,420.64	664,958.37
06-01-2029 Regular Pmt	11,638.31	10,192.53	1,445.78	654,765.84
07-01-2029 Regular Pmt	11,638.31	10,260.61	1,377.70	644,505.23
08-01-2029 Regular Pmt	11,638.31	10,237.00	1,401.31	634,268.23
09-01-2029 Regular Pmt	11,638.31	10,259.25	1,379.06	624,008.98

10-01-2029	Regular Pmt	11,638.31	10,325.33	1,312.98	613,683.65
11-01-2029	Regular Pmt	11,638.31	10,304.01	1,334.30	603,379.64
12-01-2029	Regular Pmt	11,638.31	10,368.73	1,269.58	593,010.91
2029 Totals:		139,659.72	122,771.61	16,888.11	
01-01-2030	Regular Pmt	11,638.31	10,348.96	1,289.35	582,661.95
02-01-2030	Regular Pmt	11,638.31	10,371.46	1,266.85	572,290.49
03-01-2030	Regular Pmt	11,638.31	10,514.43	1,123.88	561,776.06
04-01-2030	Regular Pmt	11,638.31	10,416.87	1,221.44	551,359.19
05-01-2030	Regular Pmt	11,638.31	10,478.19	1,160.12	540,881.00
06-01-2030	Regular Pmt	11,638.31	10,462.30	1,176.01	530,418.70
07-01-2030	Regular Pmt	11,638.31	10,522.25	1,116.06	519,896.45
08-01-2030	Regular Pmt	11,638.31	10,507.93	1,130.38	509,388.52
09-01-2030	Regular Pmt	11,638.31	10,530.77	1,107.54	498,857.75
10-01-2030	Regular Pmt	11,638.31	10,588.66	1,049.65	488,269.09
11-01-2030	Regular Pmt	11,638.31	10,576.69	1,061.62	477,692.40
12-01-2030	Regular Pmt	11,638.31	10,633.19	1,005.12	467,059.21
2030 Totals:		139,659.72	125,951.70	13,708.02	
01-01-2031	Regular Pmt	11,638.31	10,622.81	1,015.50	456,436.40
02-01-2031	Regular Pmt	11,638.31	10,645.90	992.41	445,790.50
03-01-2031	Regular Pmt	11,638.31	10,762.85	875.46	435,027.65
04-01-2031	Regular Pmt	11,638.31	10,692.45	945.86	424,335.20
05-01-2031	Regular Pmt	11,638.31	10,745.46	892.85	413,589.74
06-01-2031	Regular Pmt	11,638.31	10,739.06	899.25	402,850.68
07-01-2031	Regular Pmt	11,638.31	10,790.67	847.64	392,060.01
08-01-2031	Regular Pmt	11,638.31	10,785.87	852.44	381,274.14
09-01-2031	Regular Pmt	11,638.31	10,809.33	828.98	370,464.81
10-01-2031	Regular Pmt	11,638.31	10,858.81	779.50	359,606.00
11-01-2031	Regular Pmt	11,638.31	10,856.44	781.87	348,749.56
12-01-2031	Regular Pmt	11,638.31	10,904.50	733.81	337,845.06
2031 Totals:		139,659.72	129,214.15	10,445.57	
01-01-2032	Regular Pmt	11,638.31	10,903.75	734.56	326,941.31
02-01-2032	Regular Pmt	11,638.31	10,927.46	710.85	316,013.85
03-01-2032	Regular Pmt	11,638.31	10,995.55	642.76	305,018.30
04-01-2032	Regular Pmt	11,638.31	10,975.13	663.18	294,043.17
05-01-2032	Regular Pmt	11,638.31	11,019.61	618.70	283,023.56
06-01-2032	Regular Pmt	11,638.31	11,022.95	615.36	272,000.61

07-01-2032	Regular Pmt	11,638.31	11,065.99	572.32	260,934.62
08-01-2032	Regular Pmt	11,638.31	11,070.97	567.34	249,863.65
09-01-2032	Regular Pmt	11,638.31	11,095.04	543.27	238,768.61
10-01-2032	Regular Pmt	11,638.31	11,135.91	502.40	227,632.70
11-01-2032	Regular Pmt	11,638.31	11,143.38	494.93	216,489.32
12-01-2032	Regular Pmt	11,638.31	11,182.79	455.52	205,306.53
2032 Totals:		139,659.72	132,538.53	7,121.19	
01-01-2033	Regular Pmt	11,638.31	11,191.92	446.39	194,114.61
02-01-2033	Regular Pmt	11,638.31	11,216.26	422.05	182,898.35
03-01-2033	Regular Pmt	11,638.31	11,279.13	359.18	171,619.22
04-01-2033	Regular Pmt	11,638.31	11,265.17	373.14	160,354.05
05-01-2033	Regular Pmt	11,638.31	11,300.91	337.40	149,053.14
06-01-2033	Regular Pmt	11,638.31	11,314.23	324.08	137,738.91
07-01-2033	Regular Pmt	11,638.31	11,348.49	289.82	126,390.42
08-01-2033	Regular Pmt	11,638.31	11,363.51	274.80	115,026.91
09-01-2033	Regular Pmt	11,638.31	11,388.21	250.10	103,638.70
10-01-2033	Regular Pmt	11,638.31	11,420.24	218.07	92,218.46
11-01-2033	Regular Pmt	11,638.31	11,437.80	200.51	80,780.66
12-01-2033	Regular Pmt	11,638.31	11,468.34	169.97	69,312.32
2033 Totals:		139,659.72	135,994.21	3,665.51	
01-01-2034	Regular Pmt	11,638.31	11,487.61	150.70	57,824.71
02-01-2034	Regular Pmt	11,638.31	11,512.58	125.73	46,312.13
03-01-2034	Regular Pmt	11,638.31	11,547.36	90.95	34,764.77
04-01-2034	Regular Pmt	11,638.31	11,562.72	75.59	23,202.05
05-01-2034	Regular Pmt	11,638.31	11,589.49	48.82	11,612.56
06-01-2034	Regular Pmt	11,638.31	11,613.06	25.25	-0.50
2034 Totals:		69,829.86	69,312.82	517.04	
Loan Totals:		2,502,236.65	2,000,000.50	502,236.15	

Printed on: 05-11-2016

STEPTOE & JOHNSON PLLC
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www.steptoe-johnson.com

Writer's Contact Information

May 26, 2016

Town of Milton
Water Revenue Bonds, Series 2016 A

Town of Milton
Milton, West Virginia

The Ohio Valley Bank
Gallipolis, Ohio

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Milton (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $2,000,000 Water Revenue Bonds, Series 2016 A, dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of the Bonds, which are to be purchased by The Ohio Valley Bank (the "Purchaser"). The Bonds are originally issued in the form of one Bond, registered as to interest and principal to the Purchaser. The Bonds shall be dated May 26, 2016, and shall finally mature June 1, 2034 and shall bear interest at the rate of 2.56% per annum. Principal and interest payments shall be payable monthly commencing August 1, 2016 to and including June 1, 2034.

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 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) funding the Series 2016 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on October 6, 2015, as supplemented by a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on May 3, 2016, (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued. The Bonds are subject to redemption prior to maturity under the conditions and subject to the limitations set forth in the Bond Legislation. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation 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 Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

3. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Purchaser and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Water Revenue Bond, Series 1996 (United States Department of Agriculture), dated April 26, 1996, issued in the original aggregate principal amount of $630,000 (the "Series 1996 Bonds"); (ii) Water Refunding Revenue Bond, Series 2007 A (The Ohio Valley Bank), dated June 8, 2007, issued in the original aggregate principal amount of $529,300 (the "Series 2007 A Bonds"); (iii) Water Revenue Bond, Series 2008 A (West Virginia Infrastructure Fund), dated July 30, 2008, issued in the original aggregate principal amount of $2,893,000 (the "Series 2008 A Bonds"); and (iv) Water Revenue Bond, Series 2008 B (West Virginia Infrastructure Fund), dated July 30, 2008, issued in the original aggregate principal amount of $1,000,000 (the "Series 2008 B Bonds") (collectively, the "Prior Bonds").

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code") and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Ordinance, and in certain certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds except as expressly set forth herein and in paragraph 6.

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 Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds or obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2016. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Writer's Contact Information

May 26, 2016

Town of Milton
Water Revenue Bonds, Series 2016 A

Town of Milton
Milton, West Virginia

The Ohio Valley Bank Company
Gallipolis, Ohio

Ladies and Gentlemen:

We are counsel to the Town of Milton, in Cabell County, West Virginia (the "Issuer"), in connection with the issuance and sale of the above-captioned bonds (the "Bonds"). As such counsel, we have reviewed copies of the commitment letter dated April 20, 2016, from The Ohio Valley Bank, Gallipolis, Ohio (the "Purchaser"), the Bond Ordinance of the Issuer duly enacted October 6, 2015, as supplemented by the Supplemental Resolution and Conformed Ordinance of the Issuer duly adopted May 3, 2016 (collectively, the "Ordinance"), and other documents relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance when used herein.

We are of the opinion that:

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

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

3. The Ordinance has been duly adopted and enacted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Ordinance, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default

under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds and the Ordinance are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the 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 an ordinance prescribing such rates and charges.

7. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the Ordinance, the operation of the System, the Project, the validity of the Bonds or pledge of the Gross Revenues set forth in the Ordinance.

Very truly yours,

STEPTOE & JOHNSON PLLC

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: May 26, 2016

ISSUE: Town of Milton
Water Revenue Bonds, Series 2016 A (The Ohio Valley Bank Company)

ADDRESS: 1139 Smith Street, Milton, WV 25541 COUNTY: Cabell

PURPOSE OF ISSUE:
New Money: x
Refunding:

ISSUE DATE: 5/26/2016 CLOSING DATE: 5/26/2016

ISSUE AMOUNT: $2,000,000 RATE: 2.56%

1ST DEBT SERVICE DUE: 8/1/2016 1ST PRINCIPAL DUE: 8/1/2016

1ST DEBT SERVICE AMOUNT $11,638.31 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS COUNSEL
Firm:
Contact:
Phone:

CLOSING BANK:
Bank: The Ohio Valley Bank Company
Contact: Bryan Stepp
Phone: 740.578.3418

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Donna Hatfield
Position: Manager
Phone: 304.743.3422

OTHER:
Agency: The Ohio Valley Bank Company
Contact: Bryan Stepp
Position: Senior Vice President
Phone: 740.578.3418

DEPOSITS TO MBC AT CLOSE

By:				
x	Wire		Accrued Interest:	$
	Check		Capitalized Interest:	$
		x	Reserve Account:	$ 139,660.00
			Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:			
	Wire		To Escrow Trustee	$
	Check		To Issuer	$
	IGT		To Cons. Invest. Fund	$
			To 2015 A Reserves	$

NOTES: Series 2016 A Bonds Reserve Account will be funded with Bond Proceeds
Reserve Requirement is $139,660

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

SWEEP RESOLUTION

Town of Milton

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

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

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

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

3) This resolution shall be effective immediately upon adoption.

Adopted this 3rd day of May, 2016.

Mayor

TOWN MILTON

Water Revenue Bonds, Series 2016 A

CERTIFICATE OF REGISTRAR

The Ohio Valley Bank Company, Gallipolis, Ohio (the "Bank"), as Registrar for the above-captioned Bonds (the "Series 2016 A Bonds"), hereby certifies this 26th day of May, 2016 as follows, all capitalized terms used herein to have the same meanings set forth in the Bond Ordinance of the Town of Milton (the "Issuer") enacted October 6, 2015, as supplemented by a Supplemental Resolution and Conformed Ordinance adopted May 3, 2016, (collectively, the "Ordinance"):

1. The Bank is a national banking association originated and existing under the laws of the Unites States of America.

2. The Bank has duly authorized, by all necessary action, the authentication of the Series 2016 A Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Ordinance, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Series 2016 A Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Series 2016 A Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Bryan Stepp	Sr. Vice President	

5. The Series 2016 A Bonds have been duly authenticated, registered and delivered to the Purchaser, and the first advance of principal of the Series 2016 A Bonds has been deposited as required by the Ordinance.

IN WITNESS WHEREOF, THE OHIO VALLEY BANK COMPANY, has caused this Certificate to be executed by its duly authorized officer, as of the day and year first written above.

THE OHIO VALLEY BANK COMPANY

By: _____
Its: Authorized Officer

609970.00004

TOWN OF MILTON

Water Revenue Bonds, Series 2016 A

CERTIFICATE OF PURCHASER

The Ohio Valley Bank Company, Gallipolis, Ohio (the "Purchaser"), as original purchaser from the Town of Milton (the "Issuer") of the above-captioned bonds (the "Series 2016 A Bonds"), hereby certifies this 26th day of May, 2016, that:

1. We are purchasing the Series 2016 A Bonds for our own portfolio and none of the Series 2016 A Bonds have been the subject of an initial offering to the public. We do not intend to divide the Series 2016 A Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Series 2016 A Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Series 2016 A Bonds and subject to applicable securities laws and regulations thereunder.

2. The interest rate on the Series 2016 A Bonds is at the rate of 2.56% per annum.

3. This certificate may be relied upon by the Issuer with respect to its Certificate as to Arbitrage relating to the Series 2016 A Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Series 2016 A Bonds.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE OHIO VALLEY BANK COMPANY has caused this Certificate to be executed by its duly authorized officer, as of the day and year first written above.

THE OHIO VALLEY BANK COMPANY

By:_____
Its: Authorized Officer