

TOWN OF ALDERSON

SEWER REFUNDING REVENUE BONDS, SERIES 2015 A

BOND ORDINANCE

Table of Contents

**ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

Section 1.01	Authority for this Ordinance
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

**ARTICLE II
AUTHORIZATION OF REFUNDING**

Section 2.01	Authorization of Refunding
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**ARTICLE III
AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND SALE OF BONDS**

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds Not to Be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues
Section 3.09	Form of Bond
	FORM OF BOND
Section 3.10	Sale of Bonds
Section 3.11	Disposition of Bond Proceeds
Section 3.12	Designation of Bonds "Qualified Tax-Exempt Obligations"

ARTICLE IV
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01	Establishment of Funds and Accounts with Depository Bank
Section 4.02	Establishment of Funds and Accounts with Commission
Section 4.03	Covenants of the Issuer as to System Revenues and Funds

ARTICLE V
GENERAL COVENANTS

Section 5.01	General Statement
Section 5.02	Rates
Section 5.03	Sale of the System
Section 5.04	Issuance of Additional Parity Bonds
Section 5.05	Insurance and Bonds
Section 5.06	Statutory Mortgage Lien
Section 5.07	Fiscal Year; Budget
Section 5.08	Compensation of Members of Governing Body
Section 5.09	Books and Records; Audits
Section 5.10	Maintenance of System
Section 5.11	No Competition
Section 5.12	Mandatory Connections

ARTICLE VI
RATES, ETC.

Section 6.01	Rates and Charges
--------------	-------------------

ARTICLE VII
TAX COVENANTS

Section 7.01	Tax Covenants
Section 7.02	Arbitrage and Tax Exemption
Section 7.03	Tax Certificate and Rebate

ARTICLE VIII
DEFAULT AND REMEDIES

Section 8.01	Events of Default
Section 8.02	Remedies

ARTICLE IX
DEFEASANCE

Section 9.01	Defeasance
--------------	------------

ARTICLE X
MISCELLANEOUS

Section 10.01	Amendment or Modification of Bond Legislation
Section 10.02	Ordinance Constitutes Contract
Section 10.03	Severability of Invalid Provisions
Section 10.04	Table of Contents and Headings
Section 10.05	Conflicting Provisions Repealed; Prior Ordinance
Section 10.06	Covenant of Due Procedure, Etc.
Section 10.07	Statutory Notice and Public Hearing
Section 10.08	Effective Date
	SIGNATURES
	CERTIFICATION

TOWN OF ALDERSON

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1983 OF THE TOWN OF ALDERSON THROUGH THE ISSUANCE BY THE TOWN OF ALDERSON OF NOT MORE THAN \$110,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2015 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF ALDERSON:

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The Town of Alderson (the "Issuer") is a municipality and political subdivision of the State of West Virginia in Monroe and Greenbrier Counties of said State.

B. The Issuer now owns and operates a public sewerage system. The refunding of the Series 1983 Bonds, as hereinafter defined, is authorized and provided for by the Act and is a public purpose of the Issuer and is ordered for the purpose of meeting and serving public convenience and necessity. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Series 1983 Bonds be refunded. The existing public sewerage system of the Issuer, which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste and any further additions, betterments and improvements thereto are herein called the "System".

C. The Issuer has heretofore issued its Sewer Revenue Bonds, Series 1983, dated October 14, 1983, issued in the original aggregate principal amount of \$228,000 (the "Series 1983 Bonds").

D. The Series 1983 Bonds currently have a first lien on the Net Revenues of the System senior and prior to the Prior Bonds. The Town is currently working on a sewer upgrade project that will require additional borrowing which will need to be issued on a first lien; therefore, it is in the best interest of the Issuer that the Series 1983 Bonds be currently refunded in order to allow the Issuer to issue sewer revenue bonds for the project and to take advantage of any interest savings.

E. It is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2015 A (the "Series 2015 A Bonds") in the total aggregate principal amount of not more than \$110,000 (i) to pay in full the principal of and interest accrued on the Series 1983 Bonds, (ii) to fund the Series 2015 A Bonds Reserve Account, if any, as hereinafter defined, and (iii) to pay costs of issuance thereof and related costs.

F. It is in the best interest of the Issuer that the Series 2015 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the commitment letter of the Purchaser.

G. The Issuer has complied with all requirements of West Virginia law relating to authorization of the refunding of the Series 1983 Bonds, and the issuance of the Series 2015 A Bonds, or will have so complied prior to issuance of the Series 2015 A Bonds.

H. Upon the refunding of the Series 1983 Bonds, the Issuer will have the following outstanding obligations: (i) Sewer Refunding Revenue Bonds, Series 2001 A, dated September 13, 2001, issued in the original aggregate principal amount of \$550,000 (the "Series 2001 A Bonds"); and (ii) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated August 18, 1986, issued in the original aggregate principal amount of \$90,762 (the "Series 1986 B Bonds"), (collectively, the "Prior Bonds").

The Series 2015 A Bonds shall be issued on a parity with the Prior Bonds. Prior to the issuance of the Series 2015 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, and (ii) the written consent of the Holders of the Series 1986 B Bonds, to the issuance of the Series 2015 A Bonds on a parity with the Series 1986 B Bonds. The Series 2001 A Bonds do not require 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 the covenants of the Prior Bonds and the Prior Ordinance.

I. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2015 A Bonds for the purposes set forth herein.

The Issuer has complied with all requirements of West Virginia law relating to authorization and issuance of the Series 2015 A Bonds.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2015 A Bonds by those who shall be the Registered Owner 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 Registered Owner, and the covenants and agreements herein set forth

to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2015 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

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

"Board" means the Sanitary Board of the Issuer.

"Bondholder," "Holder of the Bonds," "Holder," "Registered Owner" or any similar term whenever used herein with respect to any 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" or "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 2015 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for all or a portion of the proceeds thereof representing the purchase price of the Bonds by the Purchaser.

"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.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

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

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

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

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

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

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

"Independent Certified Public Accountants" shall mean 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 any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or 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, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means the Town of Alderson, a municipal corporation and political subdivision of the State of West Virginia in Monroe and Greenbrier Counties, 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 2015 A Bonds, plus accrued interest and premium, if any, and less original issue discount, if any. 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 2015 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, fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as hereinafter defined), 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 Series 2015 A 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 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 IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, and Bonds registered to the Issuer.

"Parity Bonds" means additional Parity Bonds issued under the provisions and within the limitations prescribed by Section 5.04 hereof.

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

"Prior Bonds" means the Series 1986 B Bonds and Series 2001 A Bonds.

"Prior Ordinances" means the ordinances of the Issuer authorizing 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.

"Purchaser" means the purchaser or purchasers of the Series 2015 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 or Standard & Poor's Corporation.

"Recorder" means the Recorder of the Issuer.

"Regulations" means temporary and permanent regulations promulgated under the Code.

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

"Series 1983 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1983, dated October 14, 1983, issued in the original aggregate principal amount of \$228,000.

"Series 1983 Bonds Ordinance" means the ordinance of the Issuer authorizing the Series 1983 Bonds.

"Series 1986 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated August 18, 1986, issued in the original aggregate principal amount of \$90,762.

"Series 2001 A Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2001 A, dated September 13, 2001, issued in the original aggregate principal amount of \$550,000.

"Series 2015 A Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2015 A, authorized herein.

"Series 2015 A Bonds Reserve Account" means the Series 2015 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2015 A Bonds Reserve Requirement" means " means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2015 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2015 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2015 A Bonds.

"Series 2015 A Bonds Sinking Fund" means the Series 2015 A Bonds Sinking Fund created by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution 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 2015 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental

Resolution with respect to the Series 2015 A Bonds and not so included may be included in another Supplemental Resolution.

"System" means the complete public sewerage system of the Issuer, presently existing in its entirety or any integral part thereof, and any further additions, extensions and improvements thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Sanitary Board" means the Sanitary Board of the Town as now or hereafter constituted or any other agency, department or instrumentality of the Town which shall any time have jurisdiction, possession or control of the System or the management and operation hereof.

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

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

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 1983 Bonds Outstanding as of the date of issuance of the Series 2015 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Net Revenues in favor of the Holders of the Series 1983 Bonds imposed by the Series 1983 Bonds Ordinance, the monies in the funds and accounts created by the Series 1983 Bonds Ordinance pledged to payment of the Series 1983 Bonds, and any other funds pledged by the Series 1983 Bonds Ordinance to payment of the Series 1983 Bonds are hereby ordered terminated, discharged and released upon such payment to the Holders of the Series 1983 Bonds. Contemporaneously with the payment in full of the Series 1983 Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the Series 1983 Bonds, shall be released from the lien created by the Series 1983 Bonds Ordinance. The portion of the proceeds of the Series 2015 A Bonds hereby authorized to be applied towards the refunding of the Series 1983 Bonds shall be applied as provided in Article III hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purpose of refunding the Series 1983 Bonds, funding the Series 2015 A Bonds Reserve Account and paying certain costs of issuance and related costs not otherwise provided for, or any all of such purposes, there is hereby authorized to be issued the Sewer Refunding Revenue Bonds, Series 2015 A, of the Issuer, in the aggregate principal amount of not more than \$110,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2015 A Bonds shall be issued in single form, numbered AR-1, and only as a fully registered Bond. The Series 2015 A Bonds shall be dated such date; shall be in such principal amount, not to exceed \$110,000; shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such dates; shall mature on such dates and in such amounts; and shall be subject to such repayment or redemption, prepayment penalty all as the Issuer shall prescribe in the Supplemental Resolution. The Series 2015 A Bonds shall be payable as to principal and interest at the office of the Paying Agent in any coin or currency which, on the dates of payment is legal tender for the payment of public or private debts under the laws of the United States of America.

Section 3.03. Execution of Bonds. The Series 2015 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 2015 A Bonds shall cease to be such officer of the Issuer before the Series 2015 A Bonds so signed and sealed have been actually sold and delivered, the Series 2015 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2015 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2015 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.09 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 2015 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2015 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 any of the Series 2015 A Bonds, shall be conclusively deemed to have agreed that such Bond 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 Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2015 A Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Series 2015 A Bonds.

The registered Series 2015 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 the Series 2015 A Bonds or transferring the registered Bonds are exercised, the Bonds shall be delivered in accordance with the provisions of this Bond Legislation. Any Series 2015 A Bond surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2015 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 such 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 person requesting such exchange or transfer, as a condition precedent to the exercise of the privilege of making such transfer. The Bond Registrar shall not be obliged to make any such exchange or transfer of the Series 2015 A Bonds during the 15 days preceding a scheduled payment date on such Bonds or after notice of any prepayment of such Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2015 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Series 2015 A Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Series 2015 A Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such reasonable expenses as the Issuer and the Bond Registrar may incur. The Series 2015 A Bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Series 2015 A Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds Not to Be Indebtedness of the Issuer. The Series 2015 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2015 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2015 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2015 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2015 A Bonds, the Prior Bonds and to make all other payments hereinafter set forth herein and in the Prior Ordinances, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Form of Bond. The text of the Series 2015 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 BOND]

TOWN OF ALDERSON
SEWER REFUNDING REVENUE BONDS, SERIES 2015 A

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2015, the TOWN OF ALDERSON, a municipal corporation and political subdivision of the State of West Virginia in Monroe and Greenbrier Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the order of

or registered assigns (the "Payee"), the principal sum of _____ DOLLARS (\$ _____), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of ____% per annum (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 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 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.

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

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond

unpaid on _____, 20__ together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is 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 (the "Paying Agent").

This Bond is issued to (i) refund the Issuer's Sewer Revenue Bonds, Series 1983; (ii) fund the Series 2015 A Bonds Reserve Account; and (iii) pay costs of issuance and related costs. The existing public sewerage system facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____, 2015, and a Supplemental Resolution, duly adopted by the Issuer on _____, 2015 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

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

(I) SEWER REFUNDING REVENUE BONDS, SERIES 2001 A, DATED SEPTEMBER 13, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$550,000 (THE "SERIES 2001 A BONDS"); AND

(II) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 18, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$90,762 (THE "SERIES 1986 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS")

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee 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 _____, _____, West Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to such registration requirements, 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.

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.

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

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Blank]

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

TOWN OF ALDERSON

[SEAL]

By: _____
Its: Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____, 2015

_____,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

Debt Service Schedule

[Form of Assignment]

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

Dated: _____, 20____.

In the presence of:

Section 3.10. Sale of Bonds. The Series 2015 A Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, the adoption of the Supplemental Resolution; provided, that the Purchaser and the Issuer shall have agreed to the purchase thereof.

Section 3.11. Disposition of Bond Proceeds. From the monies received from the sale of the Series 2015 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2015 A Bonds, the Issuer shall forthwith disburse from the proceeds of the Series 2015 A Bonds an amount as specified in Supplemental Resolution which is equal to the amount necessary to pay in full the entire principal of and interest accrued on the Series 1983 Bonds.

B. Next, the Purchaser shall pay to the Municipal Bond Commission an amount as specified in the Supplemental Resolution which is equal to the amount necessary to fully fund the Series 2015 A Bonds Reserve Account.

C. Next, the Purchaser shall pay the costs of issuance of the Series 2015 A Bonds.

Section 3.12. Designation of Bonds "Qualified Tax-Exempt Obligations." The Issuer hereby designates the Series 2015 A Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does 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, other than 501(c)3 Bonds, as defined in Section 141 of the Code), including the Series 2015 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during calendar year 2015.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 1986 B Bonds Sinking Fund (established by Prior Ordinances and continued hereby);
- (2) Series 1986 B Bonds Reserve Account (established by Prior Ordinances and continued hereby);
- (3) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances and continued hereby);
- (4) Series 2001 A Bonds Reserve Account (established by Prior Ordinances and continued hereby);
- (5) Series 2015 A Bonds Sinking Fund; and
- (6) Series 2015 A Bonds Reserve Account.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2015 A Bonds shall be outstanding and unpaid, or until there shall have been set apart, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2015 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2015 A Bonds as follows:

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

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

- (1) The Issuer shall first, each month, pay from the monies in the Revenue Fund all current Operating Expenses.
- (2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amounts required by Prior Ordinances to pay the interest on the Series 2001 A Bonds; and (ii) the amount required to pay interest on the Series 2015 A Bonds.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amount required by Prior Ordinances to pay principal on the Prior Bonds; and (ii) the amount required to pay the principal on the Series 2015 A Bonds.

(4) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amount required by Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; and (ii) for deposit into the Series 2015 A Bonds Reserve Account the amount required to have on deposit therein the Series 2015 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2015 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2015 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Series 2015 A Bonds, or for any lawful purpose.

Monies in the Series 2015 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2015 A Bonds as the same shall become due. Monies in the Series 2015 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2015 A Bonds as the same shall come due, when other monies in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2015 A Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be

deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2015 A Bonds.

Any withdrawals from the Series 2015 A Bonds Reserve Account, which result in a reduction in the balance of such account to below the Reserve Requirement thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2015 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective Reserve Accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2015 A Bonds Sinking Fund, or the Series 2015 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2015 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2015 A Bonds Sinking Fund, and the Series 2015 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2015 A Bonds, under the conditions and restrictions set forth herein.

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

D. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission then due.

E. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

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

ARTICLE V **GENERAL COVENANTS**

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

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues to pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2015 A Bonds and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2015 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. So long as the Series 2015 A Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, without permission of the Purchaser unless the Series 2015 A Bonds are prepaid in full.

Section 5.04. Issuance of Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, all Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2015 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding the Bonds issued pursuant hereto or subsequent Parity Bonds, or any combination of such purposes.

So long as the Series 2015 A Bonds or the Prior Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Bonds 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 (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in the certificate of the Independent Certified Public Accountants.

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, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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 Holder of the Series 2015 A 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 revenues of the System and their source of and security for payment from said revenues, without preference of any Bond. 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 liens of the Bonds on such Revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Bond.

No Parity Bonds shall be issued any time, however, unless all the payments 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 delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

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

(i) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(ii) Public Liability Insurance, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$1,000,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2015 A Bonds.

(iii) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$1,000,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(iv) Workers' Compensation Coverage for All Employees of the Issuer Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the

clerk of the County Commission of said County prior to commencement of construction in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(v) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(vi) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

(vii) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2015 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer with insurance carriers or bonding companies acceptable to Purchaser.

B. All insurance proceeds awarded to the Issuer that are not applied to the repair or replacement of the subject property damaged or destroyed, shall be applied by the Issuer to prepayment of the Bond, unless otherwise consented to in writing by the Bondholder.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2015 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 2015 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 5.07. Fiscal Year; Budget. While the Series 2015 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.08. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.09. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser within 60 days of completion. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.10. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2015 A Bonds are outstanding.

Section 5.11. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 5.12. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Bureau for Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Bureau for Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

ARTICLE VI RATES, ETC.

Section 6.01. Rates and Charges. A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer adopted on October 9, 2008 which rates are incorporated herein by reference as a part hereof.

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

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

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

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

ARTICLE VII TAX COVENANTS

Section 7.01. 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 2015 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 2015 A Bonds during the term thereof is, under the terms of the Series 2015 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 2015 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 2015 A Bonds during the term thereof is, under the terms of the Series 2015 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 2015 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 2015 A Bonds is 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 shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2015 A Bonds or \$5,000,000 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 2015 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 2015 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 all actions that may be required of it so that the interest on the Series 2015 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 which would adversely affect such exclusion.

Section 7.02. 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 2015 A Bonds which would cause the Series 2015 A Bonds to be an "arbitrage bond" 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 2015 A Bonds) so that the interest on the Series 2015 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 7.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2015 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2015 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. The Issuer shall pay, or cause to be paid, to the United States, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. 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 in time to time in effect with such reports and statements as may be prescribed by such Regulations. The Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations.

ARTICLE VIII DEFAULT AND REMEDIES

Section 8.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Series 2015 A Bonds:

1. If default occurs in the due and punctual payment of the principal of or interest on the Series 2015 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 2015 A Bonds set forth in this Bond Legislation, any supplemental resolution, or in the Series 2015 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 Paying Agent, Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Series 2015 A Bonds; 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 8.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided, that all rights and remedies of the Holders of the Series 2015 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

ARTICLE IX DEFEASANCE

Section 9.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 2015 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then this Bond Legislation and the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2015 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 on the Series 2015 A Bonds from gross income for federal income tax purposes.

The payment of the Series 2015 A Bonds with either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on the Series 2015 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 2015 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Paying Agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Series 2015 A Bonds on and prior to the maturity dates thereof. Neither securities nor monies deposited with the Paying Agent pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on the Series 2015 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Paying

Agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on the Series 2015 A Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Paying Agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. This Bond Legislation may not be amended or modified after final passage without the prior written consent of the Registered Owner; provided, however, that this Bond Legislation may be amended without the consent of the Registered Owner as may be necessary to assure the exclusion of interest on the Series 2015 A Bonds from gross income of the Registered Owner for federal income tax purposes.

Section 10.02 Ordinance Constitutes Contract. The provisions of the Ordinance shall constitute a contract between the Issuer and the Holders of the Bonds, and no change, variation or alteration of any kind of the provisions of the Ordinance shall be made in any manner, except as in this Ordinance provided.

Section 10.03. 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 2015 A Bonds.

Section 10.04. Table of Contents and Headings. The table of contents and headings 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 10.05. Conflicting Provisions Repealed; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided, that in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 10.06. 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, 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 10.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *West Virginia Daily News*, a newspaper of general circulation in the Town of Alderson, there being no newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 10.08. Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading: December 11, 2014

Passed on Second Reading: December 23, 2014

Passed on Final Reading
Following Public
Hearing: January 8, 2015

TOWN OF ALDERSON



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN
OF ALDERSON on the 12th day of February, 2015.

[SEAL]


Recorder

TOWN OF ALDERSON

Sewer Refunding Revenue Bonds, Series 2015 A

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2015 A OF TOWN OF ALDERSON; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS; APPROVING THE FORM OF CERTIFICATE OF DETERMINATIONS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the Town of Alderson (the "Issuer") has duly and officially adopted an ordinance on January 8, 2015 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1983 OF THE TOWN OF ALDERSON THROUGH THE ISSUANCE BY THE TOWN OF ALDERSON OF NOT MORE THAN \$110,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2015 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Ordinance provides for the issuance by the Issuer of its Sewer Refunding Revenue Bonds, Series 2015 A in the aggregate principal amount not to exceed \$110,000, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, it is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2015 A (the "Series 2015 A Bonds") in an aggregate principal amount of not more than \$110,000, to finance the costs of acquisition and construction of the Project and costs of issuance of the Series 2015 A 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 Series 2015 A Bonds should be

established by a supplemental resolution and that other matters relating to the Series 2015 A 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 Series 2015 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2015 A Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF TOWN OF ALDERSON:

Section 1. For the purposes of (i) paying the Series 1983 Bonds; (ii) funding the Series 2015 A Bonds Reserve Account; and (iii) paying certain costs of issuance of the Series 2015 A Bonds and related costs, the Governing Body of the Issuer hereby authorizes the issuance of the Series 2015 A Bonds in an aggregate principal amount not to exceed \$110,000.

Section 2. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2015 A Bonds. The Series 2015 A Bonds shall be issued in the aggregate principal amount not to exceed \$110,000 and shall mature October 1, 2023, all as 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 2015 A Bonds, dated the date of Closing, the form of which is attached hereto as EXHIBIT A and approved hereby (the "Certificate of Determinations"); provided however, that the specific terms of the Series 2015 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 2015 A Bonds shall be as provided in the Supplemental Resolution.

Section 3. All other provisions of the Series 2015 A Bonds and the text of the Series 2015 A Bonds shall be in substantially the form provided in the Ordinance.

Section 4. The Mayor and Clerk are hereby authorized and directed to execute and deliver the Series 2015 A Bonds and such other documents and certificates required or desirable in connection with the Series 2015 A Bonds hereby and by the Ordinance approved and provided for.

Section 5. The issuance of the Series 2015 A Bonds and the refunding of the Series 1983 Bonds with proceeds of the Series 2015 A 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 6. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2015 A Bonds.

Section 7. The Tax Compliance Policy attached hereto as Exhibit B is hereby approved.

Section 8. The Mayor and Clerk, 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 Series 2015 A 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 9. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of February, 2015.

TOWN OF ALDERSON

By: 
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the
TOWN OF ALDERSON on the 12th day of February, 2015.

[SEAL]

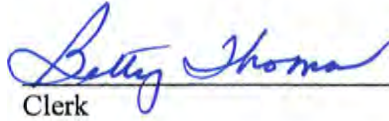

Clerk

EXHIBIT A

Form of

Town of Alderson
Sewer Refunding Revenue Bonds, Series 2015 A

CERTIFICATE OF DETERMINATIONS

The undersigned Travis Copenhaver, Mayor of Town of Alderson (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on _____, 2015 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bonds, Series 2015 A (the "Series 2015 A Bonds"), hereby finds and determines this _____ day of _____, 2015 as follows:

1. The Issuer hereby appoints and designates The Ohio Valley Bank, Milton West Virginia, as the Purchaser and Registrar.

3. The Issuer hereby appoints and designates West Virginia Municipal Bond Commission as Paying Agent.

4. The Series 2015 A Bonds shall be sold to The Ohio Valley Bank, Milton, West Virginia, and shall be registered in the name of such bank pursuant to the terms of the commitment letter dated January 20, 2015. The price of the Series 2015 A Bonds shall be 100% of par value, there being no interest accrued thereon.

5. Pursuant to the Supplemental Parameters Resolution the Series 2015 A Bonds of the Issuer shall be initially represented by a single bond, numbered AR-1, in the principal amount of \$ _____. The Series 2015 A Bonds shall be dated _____, 2015 and shall finally mature on October 1, 2023. Principal and interest, at the rate of 3.4% per annum (the "Tax-Exempt Rate"), shall be payable on the 1st of each month in the amount of \$ _____ beginning _____, 2015 to and including October 1, 2023; provided that, in the event that the interest on the Series 2015 A Bonds is determined to be subject to federal income taxation by the Internal Revenue Service, such interest shall be at the rate of _____% per annum from the date of such determination of taxability. The Series 2015 A Bonds shall not be subject to a prepayment penalty.

6. The Series 2015 A Bond proceeds in the amount of \$ _____ shall be wired to Berkadia to pay the entire principal balance of and interest on the Series 1983 Bonds.

7. Series 2015 A Bonds proceeds in the amount of \$ _____ shall be deposited in the Series 2015 A Bonds Reserve Account.

8. Series 2015 A Bonds Proceeds in the amount of \$ _____ shall be distributed as Costs of Issuance.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2015 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2015 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 ALDERSON

By: _____
Its: Mayor

TAX COMPLIANCE POLICIES

Town of Alderson

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 Town of Alderson (the "*Issuer*") with these rules in connection with the issuance of the Issuer's Sewer Refunding Revenue Bonds, Series 2015 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.

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Overall Responsibility

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

TOWN OF ALDERSON

By:
Title:

Date: _____, 2015

Town of Alderson
Sewer Refunding Revenue Bonds, Series 2015 A

CERTIFICATE OF DETERMINATIONS

The undersigned Travis Copenhaver, Mayor of Town of Alderson (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on February 12, 2015 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bonds, Series 2015 A (the "Series 2015 A Bonds"), hereby finds and determines this 26th day of February, 2015 as follows:

1. The Issuer hereby appoints and designates The Ohio Valley Bank, Milton West Virginia, as the Purchaser and Registrar.

3. The Issuer hereby appoints and designates West Virginia Municipal Bond Commission as Paying Agent.

4. The Series 2015 A Bonds shall be sold to The Ohio Valley Bank, Milton, West Virginia, and shall be registered in the name of such bank pursuant to the terms of the commitment letter dated January 20, 2015. The price of the Series 2015 A Bonds shall be 100% of par value, there being no interest accrued thereon.

5. Pursuant to the Supplemental Parameters Resolution the Series 2015 A Bonds of the Issuer shall be initially represented by a single bond, numbered AR-1, in the principal amount of \$97,650. The Series 2015 A Bonds shall be dated February 26, 2015 and shall finally mature on October 1, 2023. Principal and interest, at the rate of 3.4% per annum (the "Tax-Exempt Rate"), shall be payable on the 1st of each month in the amount of \$1,097.12 beginning April 1, 2015 to and including October 1, 2023; provided that, in the event that the interest on the Series 2015 A Bonds is determined to be subject to federal income taxation by the Internal Revenue Service, such interest shall be at the rate of 5.106% per annum from the date of such determination of taxability. The Series 2015 A Bonds shall not be subject to a prepayment penalty.

6. The Series 2015 A Bond proceeds in the amount of \$83,870.83 shall be wired to Berkadia to pay the entire principal balance of and interest on the Series 1983 Bonds.

7. Series 2015 A Bonds proceeds in the amount of \$9,765 shall be deposited in the Series 2015 A Bonds Reserve Account.

8. Series 2015 A Bonds Proceeds in the amount of \$4,014.17 shall be distributed as Costs of Issuance.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2015 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2015 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 ALDERSON

By: 

Its: Mayor

SPECIMEN

TOWN OF ALDERSON SEWER REFUNDING REVENUE BONDS, SERIES 2015 A

No. AR-1

\$97,650.00

KNOW ALL MEN BY THESE PRESENTS: That on this 26th day of February, 2015, the TOWN OF ALDERSON, a municipal corporation and political subdivision of the State of West Virginia in Monroe and Greenbrier Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the order of

THE OHIO VALLEY BANK COMPANY

or registered assigns (the "Payee"), the principal sum of NINETY-SEVEN THOUSAND SIX HUNDRED AND FIFTY DOLLARS (\$97,650), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of 3.4% per annum (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 a rate of 5.106% 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.

C. This Bond shall be payable in 103 installments commencing on the 1st day of April, 2015 and on the 1st day of each month thereafter, to and including October 1, 2023. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on October 1, 2023 together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is 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 (the "Paying Agent").

This Bond is issued to (i) refund the Issuer's Sewer Revenue Bonds, Series 1983; (ii) fund the Series 2015 A Bonds Reserve Account; and (iii) pay costs of issuance and related costs. The existing public sewerage system facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on January 8, 2015, and a Supplemental Resolution, duly adopted by the Issuer on February 12, 2015 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

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

(I) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 18, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$90,762 (THE "SERIES 1986 B BONDS"); AND

(II) SEWER REFUNDING REVENUE BONDS, SERIES 2015 B, DATED FEBRUARY 26, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$334,300 (THE "SERIES 2015 B BONDS").

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee 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, Milton, West Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to such registration requirements, 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.

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.

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

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

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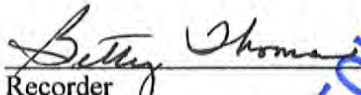
IN WITNESS WHEREOF, the TOWN OF ALDERSON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

TOWN OF ALDERSON

[SEAL]

By: 
Its: Mayor

ATTEST:


Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: February 26, 2015

THE OHIO VALLEY BANK COMPANY,
as Registrar

By: 
Its: Authorized Officer

EXHIBIT A

Debt Service Schedule

Amortization

Borrower name

TOWN OF ALDERSON

Address

Loan number

Date		Amount	Payment	Principal	Interest	Remaining Balance
02-26-2015	Fixed Rate	3.400				
02-26-2015	Funding	97,650.00				97,650.00
04-01-2015	Regular Pmt		1,097.12	783.55	313.57	96,866.45
05-01-2015	Regular Pmt		1,097.12	822.67	274.45	96,043.78
06-01-2015	Regular Pmt		1,097.12	815.93	281.19	95,227.85
07-01-2015	Regular Pmt		1,097.12	827.31	269.81	94,400.54
08-01-2015	Regular Pmt		1,097.12	820.74	276.38	93,579.80
09-01-2015	Regular Pmt		1,097.12	823.14	273.98	92,756.66
10-01-2015	Regular Pmt		1,097.12	834.31	262.81	91,922.35
11-01-2015	Regular Pmt		1,097.12	827.99	269.13	91,094.36
12-01-2015	Regular Pmt		1,097.12	839.02	258.10	90,255.34
2015 Totals:			9,874.08	7,394.66	2,479.42	
01-01-2016	Regular Pmt		1,097.12	832.87	264.25	89,422.47
02-01-2016	Regular Pmt		1,097.12	835.31	261.81	88,587.16
03-01-2016	Regular Pmt		1,097.12	854.49	242.63	87,732.67
04-01-2016	Regular Pmt		1,097.12	840.26	256.86	86,892.41
05-01-2016	Regular Pmt		1,097.12	850.92	246.20	86,041.49
06-01-2016	Regular Pmt		1,097.12	845.21	251.91	85,196.28
07-01-2016	Regular Pmt		1,097.12	855.73	241.39	84,340.55
08-01-2016	Regular Pmt		1,097.12	850.19	246.93	83,490.36
09-01-2016	Regular Pmt		1,097.12	852.68	244.44	82,637.68
10-01-2016	Regular Pmt		1,097.12	862.98	234.14	81,774.70
11-01-2016	Regular Pmt		1,097.12	857.70	239.42	80,917.00
12-01-2016	Regular Pmt		1,097.12	867.86	229.26	80,049.14
2016 Totals:			13,165.44	10,206.20	2,959.24	
01-01-2017	Regular Pmt		1,097.12	862.75	234.37	79,186.39
02-01-2017	Regular Pmt		1,097.12	865.28	231.84	78,321.11

03-01-2017	Regular Pmt	1,097.12	890.00	207.12	77,431.11
04-01-2017	Regular Pmt	1,097.12	870.42	226.70	76,560.69
05-01-2017	Regular Pmt	1,097.12	880.20	216.92	75,680.49
06-01-2017	Regular Pmt	1,097.12	875.54	221.58	74,804.95
07-01-2017	Regular Pmt	1,097.12	885.17	211.95	73,919.78
08-01-2017	Regular Pmt	1,097.12	880.70	216.42	73,039.08
09-01-2017	Regular Pmt	1,097.12	883.28	213.84	72,155.80
10-01-2017	Regular Pmt	1,097.12	892.68	204.44	71,263.12
11-01-2017	Regular Pmt	1,097.12	888.48	208.64	70,374.64
12-01-2017	Regular Pmt	1,097.12	897.73	199.39	69,476.91
2017 Totals:		13,165.44	10,572.23	2,593.21	
01-01-2018	Regular Pmt	1,097.12	893.71	203.41	68,583.20
02-01-2018	Regular Pmt	1,097.12	896.32	200.80	67,686.88
03-01-2018	Regular Pmt	1,097.12	918.13	178.99	66,768.75
04-01-2018	Regular Pmt	1,097.12	901.64	195.48	65,867.11
05-01-2018	Regular Pmt	1,097.12	910.50	186.62	64,956.61
06-01-2018	Regular Pmt	1,097.12	906.94	190.18	64,049.67
07-01-2018	Regular Pmt	1,097.12	915.65	181.47	63,134.02
08-01-2018	Regular Pmt	1,097.12	912.28	184.84	62,221.74
09-01-2018	Regular Pmt	1,097.12	914.95	182.17	61,306.79
10-01-2018	Regular Pmt	1,097.12	923.42	173.70	60,383.37
11-01-2018	Regular Pmt	1,097.12	920.33	176.79	59,463.04
12-01-2018	Regular Pmt	1,097.12	928.64	168.48	58,534.40
2018 Totals:		13,165.44	10,942.51	2,222.93	
01-01-2019	Regular Pmt	1,097.12	925.74	171.38	57,608.66
02-01-2019	Regular Pmt	1,097.12	928.45	168.67	56,680.21
03-01-2019	Regular Pmt	1,097.12	947.23	149.89	55,732.98
04-01-2019	Regular Pmt	1,097.12	933.95	163.17	54,799.03
05-01-2019	Regular Pmt	1,097.12	941.86	155.26	53,857.17
06-01-2019	Regular Pmt	1,097.12	939.44	157.68	52,917.73
07-01-2019	Regular Pmt	1,097.12	947.19	149.93	51,970.54
08-01-2019	Regular Pmt	1,097.12	944.96	152.16	51,025.58
09-01-2019	Regular Pmt	1,097.12	947.73	149.39	50,077.85
10-01-2019	Regular Pmt	1,097.12	955.23	141.89	49,122.62
11-01-2019	Regular Pmt	1,097.12	953.30	143.82	48,169.32
12-01-2019	Regular Pmt	1,097.12	960.64	136.48	47,208.68
2019 Totals:		13,165.44	11,325.72	1,839.72	

01-01-2020	Regular Pmt	1,097.12	958.90	138.22	46,249.78
02-01-2020	Regular Pmt	1,097.12	961.71	135.41	45,288.07
03-01-2020	Regular Pmt	1,097.12	973.08	124.04	44,314.99
04-01-2020	Regular Pmt	1,097.12	967.38	129.74	43,347.61
05-01-2020	Regular Pmt	1,097.12	974.30	122.82	42,373.31
06-01-2020	Regular Pmt	1,097.12	973.06	124.06	41,400.25
07-01-2020	Regular Pmt	1,097.12	979.82	117.30	40,420.43
08-01-2020	Regular Pmt	1,097.12	978.78	118.34	39,441.65
09-01-2020	Regular Pmt	1,097.12	981.64	115.48	38,460.01
10-01-2020	Regular Pmt	1,097.12	988.15	108.97	37,471.86
11-01-2020	Regular Pmt	1,097.12	987.41	109.71	36,484.45
12-01-2020	Regular Pmt	1,097.12	993.75	103.37	35,490.70
2020 Totals:		13,165.44	11,717.98	1,447.46	
01-01-2021	Regular Pmt	1,097.12	993.21	103.91	34,497.49
02-01-2021	Regular Pmt	1,097.12	996.12	101.00	33,501.37
03-01-2021	Regular Pmt	1,097.12	1,008.53	88.59	32,492.84
04-01-2021	Regular Pmt	1,097.12	1,001.99	95.13	31,490.85
05-01-2021	Regular Pmt	1,097.12	1,007.90	89.22	30,482.95
06-01-2021	Regular Pmt	1,097.12	1,007.87	89.25	29,475.08
07-01-2021	Regular Pmt	1,097.12	1,013.61	83.51	28,461.47
08-01-2021	Regular Pmt	1,097.12	1,013.79	83.33	27,447.68
09-01-2021	Regular Pmt	1,097.12	1,016.76	80.36	26,430.92
10-01-2021	Regular Pmt	1,097.12	1,022.23	74.89	25,408.69
11-01-2021	Regular Pmt	1,097.12	1,022.73	74.39	24,385.96
12-01-2021	Regular Pmt	1,097.12	1,028.03	69.09	23,357.93
2021 Totals:		13,165.44	12,132.77	1,032.67	
01-01-2022	Regular Pmt	1,097.12	1,028.73	68.39	22,329.20
02-01-2022	Regular Pmt	1,097.12	1,031.75	65.37	21,297.45
03-01-2022	Regular Pmt	1,097.12	1,040.80	56.32	20,256.65
04-01-2022	Regular Pmt	1,097.12	1,037.81	59.31	19,218.84
05-01-2022	Regular Pmt	1,097.12	1,042.67	54.45	18,176.17
06-01-2022	Regular Pmt	1,097.12	1,043.90	53.22	17,132.27
07-01-2022	Regular Pmt	1,097.12	1,048.58	48.54	16,083.69
08-01-2022	Regular Pmt	1,097.12	1,050.03	47.09	15,033.66
09-01-2022	Regular Pmt	1,097.12	1,053.10	44.02	13,980.56
10-01-2022	Regular Pmt	1,097.12	1,057.51	39.61	12,923.05
11-01-2022	Regular Pmt	1,097.12	1,059.28	37.84	11,863.77

12-01-2022	Regular Pmt	1,097.12	1,063.51	33.61	10,800.26
2022 Totals:		13,165.44	12,557.67	607.77	
01-01-2023	Regular Pmt	1,097.12	1,065.50	31.62	9,734.76
02-01-2023	Regular Pmt	1,097.12	1,068.62	28.50	8,666.14
03-01-2023	Regular Pmt	1,097.12	1,074.20	22.92	7,591.94
04-01-2023	Regular Pmt	1,097.12	1,074.89	22.23	6,517.05
05-01-2023	Regular Pmt	1,097.12	1,078.66	18.46	5,438.39
06-01-2023	Regular Pmt	1,097.12	1,081.20	15.92	4,357.19
07-01-2023	Regular Pmt	1,097.12	1,084.77	12.35	3,272.42
08-01-2023	Regular Pmt	1,097.12	1,087.54	9.58	2,184.88
09-01-2023	Regular Pmt	1,097.12	1,090.72	6.40	1,094.16
10-01-2023	Regular Pmt	1,097.12	1,094.02	3.10	0.14
2023 Totals:		10,971.20	10,800.12	171.08	
Loan Totals:		113,003.36	97,649.86	15,353.50	

Printed on: 02-10-2015

[Form of Assignment]

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

Dated: _____, 20____.

In the presence of:

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

Date of Report: 02/26/2015

ISSUE: <u>Town of Alderson</u> <u>Sewer Refunding Revenue Bonds, Series 2015 A</u>	
ADDRESS: <u>Box 179, Alderson, WV 24910</u>	COUNTY: <u>Monroe & Greenbrier</u>
PURPOSE OF ISSUE: New Money: _____ Refunding: <u> x </u>	
ISSUE DATE: <u>02/26/2015</u>	REFUNDS ISSUE(S) DATED: <u> NA </u>
ISSUE AMOUNT: <u>\$97,650</u>	CLOSING DATE: <u>02/26/2015</u>
1ST DEBT SERVICE DUE: <u>4/1/2015</u>	RATE: <u>3.4%</u>
1ST DEBT SERVICE AMOUNT <u>\$1,097.12</u>	1ST PRINCIPAL DUE: <u>4/1/2015</u>
	PAYING AGENT: <u>Municipal Bond Commission</u>
BOND COUNSEL: Firm: <u>Steptoe & Johnson PLLC</u> Contact: <u>John Stump, Esquire</u> Phone: <u>(304) 353.8196</u>	
CLOSING BANK: Bank: _____ Contact: _____ Phone: _____	
KNOWLEDGEABLE ISSUER CONTACT Contact: <u>Travis Copenhaver</u> Position: <u>Mayor</u> Phone: <u>304.445.2916</u>	
UNDERWRITERS COUNSEL Firm: _____ Contact: _____ Phone: _____	
ESCROW TRUSTEE: Firm: _____ Contact: _____ Phone: _____	
OTHER: Agency: <u>The Ohio Valley Bank Company</u> Contact: <u>Bryan Stepp</u> Position: <u>Senior Vice President</u> Phone: <u>740.446.1156 ext 208</u>	
DEPOSITS TO MBC AT CLOSE By: <u> x </u> Wire <u> </u> Checks <u> x </u> Accrued Interest: _____ <u> </u> Capitalized Interest: _____ <u> </u> Reserve Account: <u>\$9,765</u> <u> </u> Other: _____	
REFUNDS & TRANSFERS BY MBC AT CLOSE By: <u> </u> Wire <u> </u> To Escrow Trustee _____ <u> </u> Check <u> </u> To Issuer _____ <u> </u> IGT <u> </u> To Cons. Invest. Fund _____ <u> </u> To Other: _____	
NOTES: <u>The Series 2015 A Bonds Reserve Account will be fully funded with bond proceeds.</u> <u>The Series 2015 A Bonds Reserve Requirement is \$9,765 (10% of the bond issue)</u> _____ _____	
FOR MUNICIPAL BOND COMMISSION USE ONLY: DOCUMENTS REQUIRED: _____ TRANSFERS REQUIRED: _____	

January 20, 2015

Travis Copenhaver, Mayor
Town of Alderson
P.O. Box 179
Alderson, WV 24910

RE: Town of Alderson

Dear Mr. Copenhaver:

The Ohio Valley Bank Co. would like to submit the following proposal for the purchase of tax-exempt, bank sewer refunding bonds (the "Series 2015 A Bonds") to pay in full the outstanding principal of, and interest on, the Town of Alderson's Sewer Revenue Bonds, Series 1983, dated October 14, 1983, issued in the original aggregate principal amount of \$288,000.00.

Borrower:	Town of Alderson (the "Town")
Principal Amount:	Not to exceed \$110,000.00
Terms:	Monthly principal and interest payments to start immediately.
Maturity:	October 1, 2023
Interest Rate:	3.40% fixed – assuming the notes are tax-exempt and bank qualified.
Security:	First lien pledge of the net revenues of the Town's sewer system, on a parity basis with the Town's existing outstanding sewer revenue bonds. The parity test and rate covenant will be no less than 110% and the Series 2015 A Bonds will have a debt service reserve fund held by the West Virginia Municipal Bond Commission.
Bank Fee:	None

Other Fees: The Town will pay all fees and expenses of bond counsel
and any other counsel engaged by the Town.

This bid proposal will expire on February 28, 2015 unless extended in writing by the
Ohio Valley Bank Co.

Sincerely,

Bryan F. Stepp
Sr. Vice President
Chief Lending Office

cc. Katy Mallory, P.E.



February 26, 2015

Town of Alderson
Sewer Refunding Revenue Bonds, Series 2015 A

Town of Alderson
Alderson, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned Bryan Stepp, Senior Vice President, of The Ohio Valley Bank Company, Milton, West Virginia (the "Purchaser"), on behalf of the Purchaser in connection with its purchase of \$97,650 aggregate principal amount of the Sewer Refunding Revenue Bonds, Series 2015 A (the "Bonds"), issued by the Town of Alderson (the "Issuer") on the date hereof, hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal revenue obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Bonds.

2. We understand that the entire principal of and interest on the Bonds are payable by the Issuer solely from the Net Revenues of the System (as defined in the Ordinance of the Issuer enacted January 8, 2015 as supplemented by Supplemental resolution duly adopted on February 12, 2015; that the Bonds are special and limited obligations of the Issuer and are not general obligations or secured by any obligation or pledge of any monies received or to be received by the Issuer other than the Net Revenues described above; that the Bonds do not now and shall never constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, all as set forth in the Ordinance.

3. We understand that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the Issuer or the Bonds is being issued, that the Bonds are unrated, and that in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

4. We acknowledge that during the course of the transaction and prior to the sale of the Bonds, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us.

5. Because of our experience in financial and business matters, we believe that we are qualified to make the inquiry and analysis described in paragraph 3 and to understand fully the documents and information described in paragraph 4.

6. We understand that the Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may be resold only to purchasers who meet the criteria set forth herein and who, as a condition to such purchase, deliver an executed letter substantially in the form hereof to Steptoe & Johnson PLLC, Charleston, West Virginia.

7. We have been informed by Steptoe & Johnson PLLC, bond counsel to the Issuer, that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We have also been informed by Steptoe & Johnson that under the Code, interest on obligations, such as the Bonds, which are not "private activity bonds," are not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes), and which would impose an alternative minimum tax on a portion of the excess of adjusted net book income over pre-book alternative minimum taxable income, could subject part of the interest on the Bonds received by corporations to such corporate alternative minimum tax.

8. We are purchasing the Bonds for investment in our own account and do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

9. The Bonds and the other certificates, opinions and documents delivered in connection with the Bonds contain such terms and are in such form that are acceptable to the Purchaser.

10. We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and we have satisfied ourselves that the Bonds are a lawful investment for us under all applicable laws.

Very truly yours,

THE OHIO VALLEY BANK COMPANY

By: 
Bryan F. Stepp – Sr. Vice President