

**TOWN OF FORT GAY
SEWER GRANT ANTICIPATION NOTES, SERIES 2019 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)**

CONFORMED NOTE ORDINANCE

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TOWN OF FORT GAY

CONFORMED NOTE ORDINANCE

RESOLUTION AUTHORIZING THE DESIGN, ACQUISITION AND CONSTRUCTION OF BETTERMENTS, IMPROVEMENTS AND REPLACEMENTS TO THE SEWER COLLECTION SYSTEM OF THE TOWN OF FORT GAY AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF FORT GAY OF NOT MORE THAN \$325,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER GRANT ANTICIPATION NOTES, SERIES 2019 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ADOPTED BY THE COUNCIL OF THE TOWN OF FORT
GAY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Note Ordinance (together with resolution supplemental hereto or amendatory hereof, the "Note Resolution") is enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments, improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of improvements to two pumping stations, including necessary appurtenances (collectively, the "Project"). The Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. It is deemed necessary for the Issuer to issue its Sewer Grant Anticipation Notes, Series 2019 A (West Virginia Water Development Authority) in the aggregate principal amount of not more than \$325,000 as a single note (the "Series 2019 A Notes"), to temporarily finance a portion of the costs of the Project in the manner hereinafter provided, pay capitalized interest, if any, and to pay costs of issuance. The cost of such Project shall be deemed to include, without being limited to, the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; capitalized interest, if any, on the Series 2019 A Notes; engineering, fiscal agents and legal expenses; expenses for plans, specifications and surveys, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized. The Series 2019 A Notes are being issued in anticipation of receipt by the Issuer of a West Virginia Infrastructure and Jobs Development Council Grant or other bonds or grants.

D. It is in the best interests of the Issuer that its Series 2019 A Notes be sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a Loan Agreement by and between the Issuer and the Authority, as hereinafter defined, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

E. There are no outstanding obligations of the Issuer which are secured by the Net Revenues of the System. The Series 2019 A Notes will have no lien on the Net Revenues. The payment of the debt service on the Series 2019 A Notes shall be secured by a first lien on all proceeds of grants, revenue bonds, refunding bonds, bond anticipation notes or other obligations received by the Issuer subsequent to the issuance of the Series 2019 A Notes to temporarily or permanently finance a portion of the costs of the Project and Surplus Revenues.

F. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement (hereinafter defined) relating to authorization of the Project and the System and issuance of the Series 2019 A Notes, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing.

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

Section 1.03. Note Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2019 A Notes by the Noteholders of the same from time to time, this Note Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Noteholders of any and all of such Series 2019 A Notes, all which shall be of equal rank and without preference, priority or distinction between any one Note and any other Notes 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 enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Noteholder of the Series 2019 A Notes, or any other agency, board or department of the State that succeeds to the functions of the Authority.

“Authorized Officer” means the Mayor of the Governing Body of the Issuer or any temporary Mayor duly selected by the Governing Body.

“Closing Date” means the date upon which there is an exchange of the Series 2019 A Notes for all or a portion of the proceeds of the Series 2019 A Notes from the Authority.

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

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

“Costs” or “Costs of the Project” means those costs described in Section 1.02C hereof to be a part of the costs of the Project.

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

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

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

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

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

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

“Herein,” “hereto” and similar words shall refer to this entire Note Ordinance.

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

“Issuer” means the Town of Fort Gay, a municipal corporation and political subdivision of the State of West Virginia in Wayne County, West Virginia, and, when appropriate, also means the Governing Body thereof.

“Loan Agreement” means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority providing for the purchase of the Series 2019 A Notes.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2019 A Notes, plus accrued interest and premium, if any, less original issue discount, if any.

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

“Note Ordinance” means this Note Ordinance in its present form and all resolutions, orders and resolutions supplemental hereto or amendatory hereof.

“Notes” means, collectively, the Series 2019 A Notes and, where appropriate, any notes on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

“Noteholder,” “Holder,” or any similar term whenever used herein with respect to an Outstanding Note, or Notes means the person in whose name such Note is issued.

“Operating Expenses” means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank), 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, if any, on the Notes, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

“Outstanding” when used with reference to Notes and as of any particular date, describes all Notes theretofore and thereupon being authenticated and delivered except (i) any Note cancelled by the Authority or the Registrar for such Notes, at or prior to said date; (ii) any Note 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 Note deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Holders, any Note issued to the Issuer.

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

“Qualified Investments” means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

“Recorder” means the Recorder of the Issuer.

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

“Revenue Fund” means the Revenue Fund established by Section 5.01 herein.

“Secretary” means the Secretary of the Issuer.

“Series 2019 A Notes” means the Sewer Grant Anticipation Notes, Series 2019 A (West Virginia Water Development Authority) authorized by this Note Ordinance.

“Series 2019 A Notes Project Account” means the Series 2019 A Notes Project Account established by Section 5.01 hereof.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution or order of the Issuer supplementing or amending this Note Ordinance and, when preceded by the article “the,” refers specifically to the Supplemental Resolution authorizing the sale of the Series 2019 A Notes; provided, that any matter intended by this Note Ordinance to be included in the Supplemental Resolution with respect to the Series 2019 A Notes, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required to be set aside and held for any obligations of the Issuer.

“System” means the complete public sewerage system of the Issuer presently existing in its entirety or any integral part thereof, and shall include the Project, to be constructed as a result of the issuance of the Series 2019 A Notes, and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the Project at an estimated cost of not to exceed \$559,938, of which a portion will be paid from proceeds of the Series 2019 A Notes. The proceeds of the Series 2019 A Notes hereby authorized shall be applied as provided in Article VI hereof. The Issuer has or will enter into contracts for the Project, compatible with the financing plan submitted to the Authority.

The estimated maximum cost of the Project is \$559,938 of which up to \$325,000 will be obtained from the proceeds of sale of the Series 2019 A Notes; approximately \$185,000 will be obtained

as a West Virginia Infrastructure and Jobs Development Council grant; \$48,938 will be obtained as a U.S. Army Corps of Engineers grant and \$1,000 as an Issuer contribution.

ARTICLE III
**AUTHORIZATION, TERMS, EXECUTION, SALE OF NOTES; AUTHORIZATION AND
EXECUTION OF LOAN AGREEMENT**

Section 3.01. Authorization of Notes. For the purposes of paying Costs of the Project not otherwise provided for, paying capitalized interest, and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2019 A Notes of the Issuer. The Series 2019 A Notes shall be issued as a single note, designated as "Sewer Grant Anticipation Notes, Series 2019 A (West Virginia Water Development Authority)", in the principal amount of not more than \$325,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2019 A Notes remaining after accounting for capitalization of interest, if any, shall be advanced from time to time and deposited in or credited to the Series 2019 A Notes Project Account.

Section 3.02. Terms of Notes. The Series 2019 A Notes shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and, so long as the Authority is the Noteholder, shall be redeemable, in whole or in part, upon thirty (30) days' advance written notice to the Authority, and as may otherwise be provided in the Loan Agreement. The Series 2019 A Notes shall be payable as to principal at the office of the Authority, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America.

Unless otherwise provided by the Supplemental Resolution, the Series 2019 A Notes shall initially be issued in the form of a single note, payable to the Authority, with a record of advances, representing the aggregate principal amount of the Series 2019 A Notes, and shall mature as provided in the Supplemental Resolution. The Series 2019 A Notes shall be exchangeable at the option and expense of the Noteholder for another Note or Notes of the same series in aggregate principal amount equal to the amount of said Notes then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Notes; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Notes, if any, shall be issued in denominations as determined by a Supplemental Resolution. Such Notes shall be dated and shall bear interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Notes. The Series 2019 A Notes 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 2019 A Notes shall cease to be such officer of the Issuer before the Series 2019 A Notes so signed and sealed have been actually sold and delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. Any Series 2019 A Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Notes shall hold the proper office in the Issuer, although at the date of such Notes such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability and Transfer. The Series 2019 A Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2019 A Notes shall be conclusively deemed to have agreed that such Notes 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 Notes shall be incontestable in the hands of a bona fide Holder for value.

Section 3.05. Notes not to be Indebtedness of the Issuer. The Series 2019 A Notes shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from (i) the proceeds of a grant or grants made available to the Issuer subsequent to the issuance of the Notes; (ii) the proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency, issued subsequent to the issuance of the Series 2019 A Notes for permanent funding of the Project; and (iii) Surplus Revenues. In the event any grants are received by the Issuer, or any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer are issued, to permanently finance the costs of the Project being temporarily financed by the Series 2019 A Notes, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date or early redemption of the Series 2019 A Notes from such sources. No Holder or Holders of the Series 2019 A Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2019 A Notes or the interest, if any, thereon; provided, that, in the event permanent financing is not obtained for the Project, the Issuer agrees to repay the Series 2019 A Notes by issuing a bond or note to refund the Series 2019 A Notes.

Section 3.06. Notes Secured by Pledge of Grant and/or Bond Proceeds; Lien Position with Respect to Net Revenues of the System. The payment of the Series 2019 A Notes shall be secured by a first lien on (i) all grant proceeds received by the Issuer subsequent to the issuance of the Notes to permanently finance a portion of the Costs of the Project; (ii) all proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer, received subsequent to the issuance of the Series 2019 A Notes to permanently finance a portion of the Costs of the Project; and (iii) Surplus Revenues. In the event any grants are received by the Issuer, or any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer are issued, to permanently finance the costs of the Project being temporarily financed by the Series 2019 A Notes, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date or early redemption of the Series 2019 A Notes from such sources. The Series 2019 A Notes have no lien on Net Revenues of the System.

Section 3.07. Delivery of Notes. The Issuer shall deliver the executed Series 2019 A Notes to the Authority.

Section 3.08. Form of Notes. The text of the Series 2019 A Notes 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:

(FORM OF SERIES 2019 A NOTES)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF FORT GAY
SEWER GRANT ANTICIPATION NOTES, SERIES 2019 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this _____ day of _____, 2019, TOWN OF FORT GAY, a municipal corporation and political subdivision of the State of West Virginia in Wayne County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference.

This Note shall bear no interest. On _____ 1, 20____, the entire principal amount is payable as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated and made a part of this Note.

This Note may be redeemed prior to its stated date of maturity in whole or in part, upon thirty (30) days' advance written notice to the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated _____, 2019.

This Note is issued (i) to temporarily pay the costs of design, acquisition and construction activities (the "Project"); and (ii) to pay certain costs of issuance and related costs. The existing sewer system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note 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 a Note Ordinance duly enacted by the Issuer on _____, 2019, and a Supplemental Resolution duly adopted by the Issuer on _____, 2019 (collectively, the "Note Ordinance"), and is subject to all the terms and conditions thereof. The Note Ordinance provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Notes under the Note Ordinance.

THIS NOTE HAS NO LIEN ON THE NET REVENUES OF THE SYSTEM. THE PAYMENT OF THE DEBT SERVICE ON THE NOTES SHALL BE SECURED BY A FIRST LIEN ON (I) ALL GRANT PROCEEDS RECEIVED BY THE ISSUER SUBSEQUENT TO THE ISSUANCE OF THE NOTES TO PERMANENTLY FINANCE A PORTION OF THE COSTS OF THE PROJECT; (II) ALL PROCEEDS OF ANY REVENUE BONDS, REFUNDING BONDS, BOND ANTICIPATION NOTES OR OTHER OBLIGATIONS OF THE ISSUER, ISSUED SUBSEQUENT TO THE ISSUANCE OF THE NOTES FOR PERMANENT FUNDING OF THE PROJECT; AND (III) SURPLUS REVENUES OF THE SYSTEM.

This Note is payable only from and secured by a first lien on (i) the proceeds of a grant or grants made available to the Issuer subsequent to the issuance of the Notes to permanently finance the Costs of the Project; (ii) the proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer, issued subsequent to the issuance of the Notes to permanently finance the Costs of the Project; and (iii) Surplus Revenues of the System. This Note 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, except as set forth in the Note Ordinance.

This Note, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Note shall be applied solely to payment of the Costs of the Project and costs of issuance described in the Note Ordinance, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Noteholder of this Note.

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 Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Mayor

ATTEST

Recorder

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

In the presence of:

Section 3.09. Sale of Notes; Approval and Ratification of Execution of Loan Agreement.

The Series 2019 A Notes shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund; and
- (2) Series 2019 A Notes Project Account.

Section 5.02. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Note Ordinance.

This Note has no lien on the Net Revenues of the system. The payment of the Series 2019 A Notes shall be secured by a first lien on (i) all grant proceeds received by the Issuer subsequent to the issuance of the Series 2019 A Notes to permanently finance a portion of the costs of the Project; (ii) all proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer, issued subsequent to the issuance of the Series 2019 A Notes to permanently finance a portion of the Costs of the Project; and (iii) Surplus Revenues. In the event any grants are received by the Issuer, or any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer are issued, to permanently finance the costs of the Project being temporarily financed by the Series 2019 A Notes, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date or early redemption of the Series 2019 A Notes from such sources; provided, that, in the event permanent financing is not obtained for the Project, the Issuer agrees to repay the Series 2019 A Notes by issuing a bond or a note to refund the Series 2019 A Notes.

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

C. The Issuer shall remit from the Revenue Fund the Depository Bank, on such dates as the Depository Bank shall require, such additional sums as shall be necessary to pay their charges and fees then due.

D. The monies in excess of the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by

Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

ARTICLE VI

APPLICATION OF NOTES PROCEEDS

Section 6.01. Application of Notes Proceeds; Pledge of Unexpended Notes Proceeds. From the monies received from the sale of the Series 2019 A Notes, the following amounts shall be first deducted and deposited in the order set forth below:

A. As the Issuer receives advances of the Series 2019 A Notes, such proceeds shall be deposited in the Series 2019 A Notes Project Account and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2019 A Notes.

B. After completion of the Project, and all Costs have been paid, any remaining proceeds of the Series 2019 A Notes shall be expended as directed by the Authority.

Section 6.02. Disbursements of Notes Proceeds. The Issuer shall not later than the 15th of each month provide the Authority with a requisition for the Costs incurred for the Project, together with such documentation as the Authority shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2019 A Notes shall be made only after submission to and approval from the Authority of a certificate, signed by an Authorized Officer, stating that:

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

Monies deposited in the Series 2019 A Notes Project Account shall be disbursed immediately upon receipt.

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Note Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2019 A Notes. In addition to the other covenants, agreements and provisions of this Note Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2019 A Notes as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2019 A Notes or the interest, if any, thereon is Outstanding and unpaid.

Further, the Issuer hereby covenants and agrees to comply with all covenants, agreements and provisions of the Loan Agreement, the provisions of which are hereby incorporated by reference, and all such covenants, agreements and provisions therein shall apply as if set forth herein in their entirety.

Section 7.02. Books, Records and Audit. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Note or Notes issued pursuant to this Note Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Authority, or any other original purchaser of the Series 2019 A Notes and shall mail in each year to any Holder or Holders of the Series 2019 A Notes, requesting the same, an annual report containing the following:

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and, to the extent legally required, in compliance with 2CFR 200 Subpart F, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2019 A Notes and shall submit the report to the Authority, or any other original purchaser of the Series 2019 A Notes. Such audit report submitted to the Authority shall include a statement that notes whether the results of test disclosed instances of noncompliance that are

required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Section 7.03. Additional Debt. The Issuer covenants and agrees that it will issue no debt, bonds or otherwise, secured by the Net Revenues of the System as long as the Series 2019 A Notes are outstanding unless such debt will simultaneously pay the Series 2019 A Notes in full.

Section 7.04. Rates. Prior to the issuance of the Series 2019 A Notes, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient to produce the required sums to pay Operating Expenses and to make the prescribed payments into all funds. In any event, the Issuer shall not reduce the rates or charges for services.

Section 7.05. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

Section 7.06. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of

the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.07. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer will obtain all permits required by state and federal laws for the Project, all orders and approvals required by State law for the Project, the operation of the System and issuance of the Series 2019 A Notes, and the Issuer shall supply an opinion of counsel to such effect.

Section 7.08. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, or other state, federal or local bodies in regard to the Project and the operation, maintenance and use of the System.

Section 7.09. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.10. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2019 A Notes, 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 2019 A Notes.

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment

earnings so long as any of the Series 2019 A Notes are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2019 A Notes from gross income for federal income tax purposes.

Section 8.02. Covenants as to Use of Proceeds. The Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2019 A Notes as may be necessary in order to maintain the status of the Series 2019 A Notes as governmental notes; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2019 A Notes which would cause any notes, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, from which the proceeds of the Series 2019 A Notes are derived, to lose their status as tax-exempt notes; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Note Ordinance.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2019 A Notes and any additional information requested by the Authority. In particular, the Issuer agrees to annually provide the Authority with bank statements and all investment information for the funds and accounts related to the proceeds of the Series 2019 A Notes, and, to the extent not covered by the foregoing, the Issuer agrees to furnish the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Series 2019 A Notes (as such term is defined in the Code) from time to time, as the Authority may request.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2019 A Notes:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2019 A Notes; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2019 A Notes set forth in this Note Ordinance, the Loan Agreement, any supplemental resolution or in the Series 2019 A Notes, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Depository Bank, or a Holder of a Note; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Noteholder or Holder of a Note 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 Noteholders or Holders of the Notes including the right to require the Issuer to perform its duties under the Act and the Note Ordinance 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 Notes; (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 Noteholders or Holders of the Notes, and (v) by action or bill in equity enjoin any acts in violation of the Note Ordinance with respect to the Notes, or the rights of such Noteholders.

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

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Noteholders of the Notes. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Noteholders of such Notes and the curing and making good of any Event of Default with respect thereto under the provisions of this Note Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF NOTES

Section 10.01. Payment of Series 2019 A Notes. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2019 A Notes, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Note Ordinance, then the pledge of grant and bond proceeds pledged under this Note Ordinance and all covenants, agreements and other obligations of the Issuer to the Noteholders of the Series 2019 A Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Note Resolution. Prior to issuance of the Series 2019 A Notes, this Note Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2019 A Notes, no material modification or amendment of this Note Resolution, or of any resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Noteholders of the Series 2019 A Notes shall be made without the consent in writing of the Noteholders of the Series 2019 A Notes so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2019 A Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Noteholder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2019 A Notes required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Note Ordinance may be amended without the consent of any Noteholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2019 A Notes from gross income of the Holders thereof.

Section 11.02. Note Ordinance Constitutes Contract. The provisions of the Note Ordinance shall constitute a contract between the Issuer and the Noteholders of the Notes, and no change, variation or alteration of any kind of the provisions of the Note Ordinance shall be made in any manner, except as in this Note Ordinance provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Note 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 Note Ordinance, the Supplemental Resolution or the Series 2019 A Notes.

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

Section 11.05. Notices. All notices to be sent to the Issuer or the Authority shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Town of Fort Gay
P.O. Box 336
Fort Gay, WV 25514
Attention: Mayor

AUTHORITY:

Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
Attention: Executive Director

Section 11.06. Conflicting Provisions Repealed. All orders or resolutions and or parts thereof in conflict with the provisions of this Note Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Note Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body and the Issuer were at all times when any actions in connection with this Note Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice of Public Hearing. Upon adoption hereof, the abstract of this Note Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for 2 successive weeks, with at least 6 full days intervening between each publication, in the *Herald Dispatch*, a qualified newspaper of general circulation in the Town of Fort Gay, together with a notice stating that this Note Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2019 A Notes, and that any person interested may appear before the Issuer upon a certain date, not less than 10 days subsequent to the date of the first publication of such abstract of this Note Ordinance and notice, and present protests, and that a certified copy of this Note Ordinance is on file with the Issuer for review by interested persons during office hours of the Issuer. The Governing Body hereby determines that the Abstract contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the Issuer shall take such action as it shall deem proper in the premises.

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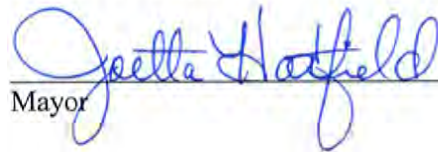
Section 11.09. Effective Date. This Note Ordinance shall take effect immediately following the public hearing and final reading hereof.

First Reading: September 10, 2019

Second Reading: October 1, 2019
and Adoption

Public Hearing
and Third Reading: November 4, 2019

TOWN OF FORT GAY



Mayor

CERTIFICATION

Certified a true copy of a Note Ordinance duly enacted by the Town Council of the TOWN OF FORT GAY on November 4, 2019, and effective on November 4, 2019 and supplemented and conformed by Supplemental Resolution duly adopted on November 4, 2019

Dated this 8th day of November, 2019.

[SEAL]


Recorder

Town of Fort Gay
Sewer Grant Anticipation Notes, Series 2019 A
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER GRANT ANTICIPATION NOTES, SERIES 2019 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE TOWN OF FORT GAY; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING A CONFORMED ORDINANCE; DESIGNATING DEPOSITORY BANK AND MAKING OTHER PROVISIONS AS TO THE NOTES.

WHEREAS, the council (the "Governing Body") of the Town of Fort Gay (the "Issuer") has duly and officially adopted and enacted a note ordinance, effective November 4, 2019 (the "Note Ordinance"), entitled:

RESOLUTION AUTHORIZING THE DESIGN, ACQUISITION AND CONSTRUCTION OF BETTERMENTS, IMPROVEMENTS AND REPLACEMENTS TO THE SEWER COLLECTION SYSTEM OF THE TOWN OF FORT GAY AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF FORT GAY OF NOT MORE THAN \$325,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER GRANT ANTICIPATION NOTES, SERIES 2019 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES 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 Conformed Note Ordinance attached as Exhibit A when used herein;

WHEREAS, the Issuer desires to amend the Note Ordinance though this Supplemental Resolution and Conformed Ordinance to conform to the Authority's program requirements;

WHEREAS, the Note Ordinance provides for the issuance of the Sewer Grant Anticipation Notes, Series 2019 A (West Virginia Water Development Authority), of the Issuer, in the aggregate principal amount not to exceed \$325,000 (the "Notes" or the "Series 2019 A Notes"), and has authorized the execution and delivery of a loan agreement relating to the Notes, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Note Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, principal payment dates, sale price and other terms of the Notes should be established by a supplemental resolution pertaining to the Notes, and that other matters relating to the Notes be herein provided for;

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

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

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

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

Section 1. The Issuer hereby approves the Conformed Note Ordinance attached hereto as Exhibit A.

Section 2. The estimated maximum cost of the Project is \$556,572 of which \$231,492 will be obtained from the proceeds of sale of the Series 2019 A Notes; \$275,142 will be obtained as a West Virginia Infrastructure and Jobs Development Council grant; \$48,938 will be obtained as a U.S. Army Corps of Engineers grant and \$1,000 is hereby pledged as an Issuer contribution.

Section 3. Pursuant to the Note Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Grant Anticipation Notes, Series 2019 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Note, numbered AR-1, in the principal amount of \$231,492. The Series 2019 A Notes shall be dated the date of delivery thereof, shall finally mature May 1, 2020, and shall bear no interest. The principal amount shall be payable on the maturity date of May 1, 2020. The Series 2019 A Notes shall be subject to redemption upon the written consent of the Authority, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2019 A Notes. The Series 2019 A Notes are secured by Surplus Revenues of the System and the proceeds of future revenue bonds and/or grants of the Issuer.

Section 4. All other provisions relating to the Notes and the text of the Notes shall be in substantially the form provided in the Note Ordinance.

Section 5. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Authority. The price of the Notes shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Notes shall be advanced from time to time as requisitioned by the Issuer.

Section 6. The Issuer does hereby appoint and designate Community Trust Bank, Fort Gay, West Virginia, to serve as Depository Bank under the Note Ordinance.

Section 7. An amount of \$8,000 shall be deposited with the Authority to pay fees of the Authority.

Section 8. The balance of the proceeds of the Series 2019 A Notes shall be deposited in or credited to the Series 2019 A Notes Project Account for payment of the costs of the Project, including, without limitation, costs of issuance of the Notes and related costs.

Section 9. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Notes hereby and by the Note Ordinance approved and provided for, to the end that the Notes may be delivered on or about November 8, 2019, to the Authority pursuant to the Loan Agreement.

Section 10. The Project and the financing thereof in part with proceeds of the Notes 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.

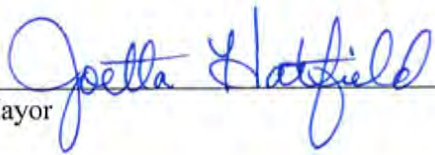
Section 11. The Issuer does hereby approve and authorize all contracts relating to the Project.

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Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 4th day of November, 2019.

TOWN OF FORT GAY



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Fort Gay on the 4th day of November, 2019.

Dated: November 8, 2019.

[SEAL]


Recorder

EXHIBIT A
CONFORMED NOTE ORDINANCE
(See Tab 1 of Transcript)

LOAN AGREEMENT

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

TOWN OF FORT GAY
(2017S-1723/2019S-1839)
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the design, acquisition or construction of water development projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia (the "State") to design, acquire, construct, improve, operate and maintain a water development project, as defined by the Act, and to temporarily finance the cost of all or a portion of the acquisition and construction of the same by borrowing money to be evidenced by notes issued by the Governmental Agency;

WHEREAS, the Governmental Agency intends to design and construct such a water development project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS the Project, and its proposed financing, has been reviewed and approved by the West Virginia Infrastructure and Jobs Development Council (the "Council");

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan to temporarily finance all or a portion of the cost of the Project pending receipt of certain grant funds (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and

incorporated herein by reference, through the purchase of notes of the Governmental Agency with money in the Supplemental Fund of the Authority, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program (the "Program") as hereinafter set forth.

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

ARTICLE I Definitions

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

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto.

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

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

1.5 "Local Notes" means the notes to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

1.6 "Local Statute" means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Notes are issued.

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

1.8 "Project" means the water development project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Notes or the preliminary costs associated with such Project that will be financed with the net proceeds of the Local Notes.

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

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

ARTICLE II The Project and the System

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

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by the Authority.

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

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

2.6 The Governmental Agency agrees that it will permit the Authority and its agents and representatives to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of

construction of the Project and commencement of operation thereof or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and shall verify or shall have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Notes is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Notes is outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

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

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

ARTICLE III Conditions to Loan; Issuance of Local Notes

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

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

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

(c) The Governmental Agency shall either have received bids or entered into contracts for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and approved by the Council and the Authority shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

(d) No Loan shall be made for the purpose of refinancing any outstanding long-term indebtedness of a Governmental Agency;

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

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

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

(h) The Governmental Agency shall have applied for grant funding or received a commitment of grant funds in an amount equal to the Local Notes; and

(i) The net proceeds of the Local Notes, together with all moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority of such irrevocably committed grants.

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

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

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

ARTICLE IV

Local Notes; Security for Loan; Interest on Loan; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Notes pursuant to an official action of the Governmental Agency in accordance with the Local Statute.

(a) The Local Act shall contain covenants substantially as follows:

(i) That the Local Notes shall be secured by a pledge of grant funds to be received by the Governmental Agency, as more fully set forth in the Local Act;

(ii) That capitalized interest, if any, shall be deposited with the West Virginia Municipal Bond Commission (the "Commission") and applied to the payment of interest, if any, on the Local Notes;

(iii) That the Governmental Agency shall complete the Project, shall operate and maintain the System in good condition and, to the extent applicable, in compliance with, among other state and federal standards, the water quality standards established by the West Virginia Bureau for Public Health (the "BPH"), the West Virginia Department of Environmental Protection (the "DEP") and the United States Environmental Protection Agency (the "EPA"), shall permit the BPH, the DEP and EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof, and shall, as a condition precedent to the Authority's making the Loan, have obtained, among other permits required, permits from the BPH, the DEP and the EPA, if required;

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

(v) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

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

(viii) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent

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

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

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

(xi) That, as long as the Authority is the owner of any of the Local Notes, the Governmental Agency may redeem or authorize redemption of any Local Notes with ten days written notice to the Authority;

(xii) That the Governmental Agency shall provide the Authority with annual financial information and such other information as is necessary for the Authority to meet its ongoing disclosure requirements;

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

(xiv) That the Commission shall serve as paying agent for the Local Notes;

(xv) That the Governmental Agency shall obtain the written approval of the Authority before expending any proceeds of the Local Notes available due to bid/construction/project underruns, including the "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineers;

(xvi) That the Governmental Agency shall list the funding provided by the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project;

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

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

4.2 The interest payments on the Loan shall be made by the Commission as provided in said Schedule X.

4.3 The Loan shall bear interest from the date of the delivery to the Authority of the Local Notes until the date of payment thereof, at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Notes exceed any statutory limitation with regard thereto.

4.4 The Local Notes shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Notes may be issued in one or more series, as reflected by Schedule X hereto.

ARTICLE V Miscellaneous

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

5.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be

approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

5.8 This Loan Agreement shall terminate upon the earlier of:

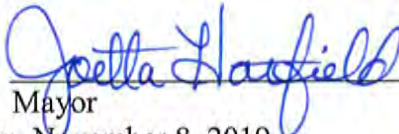
(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Authority if the Governmental Agency has failed to deliver the Local Notes to the Authority; or

(ii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority.

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

TOWN OF FORT GAY

(SEAL)

By: 
Its: Mayor
Date: November 8, 2019

Attest:


Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: 
Its: Executive Director
Date: November 8, 2019

Attest:


Its: Authorized Officer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEERS

(Issuer)

(Name of Notes)

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

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

2. The Notes are being issued for the purposes of (i)
_____, [capitalizing interest on the Notes] and (ii)
paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits
and in accordance with the applicable and governing contractual requirements relating to the
Project, the Project will be constructed in general accordance with the approved plans,
specifications and designs prepared by my firm and approved by the DEP and any change orders
approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the schematic design
for the Project began [before/after July 1, 2012], (iii) the Project, as designed, is adequate for its
intended purpose and has a useful life of at least _____ years, if properly operated and
maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has
received bids for the acquisition and construction of the Project which are in an amount and
otherwise compatible with the plan of financing set forth in Schedule attached hereto as Exhibit
A, and my firm¹ has ascertained that all successful bidders have made required provisions for all
insurance and payment and performance bonds and that such insurance policies or binders and
such bonds have been verified for accuracy; (v) the successful bidders received any and all
addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and
payment bonds, then insert the following: [and in reliance upon the opinion of _____,
Esq.] and delete "my firm has ascertained that".

Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (x) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xii) the Project was designed and will be constructed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xiii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve ____ new customers in the _____ area.

WITNESS my signature and seal on this ____ day of _____, 20__.

[SEAL]

By: _____
West Virginia License No. _____

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

EXHIBIT B

OPINION OF COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Ladies and Gentlemen:

We are counsel to _____ (the "Governmental Agency"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of notes of the Governmental Agency, dated _____, _____ (the "Local Notes"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Notes are issued in the principal amount of \$_____, in the form of one note, registered as to principal and interest to the Authority, with interest payable _____ on _____ 1 and _____ 1 of each year, commencing _____ 1, _____, at the rate of ____% per annum, and with principal payable annually on _____ 1 of each year, commencing _____ 1, _____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Notes.

The Local Notes are issued for the purposes of (i) _____, [capitalizing interest on the Notes] and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Notes are authorized and issued, and the Loan Agreement has been undertaken. The Local Notes are subject to redemption prior to maturity upon 10 days written notice to the Authority.

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

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

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

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

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

5. The Local Notes have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid, legally enforceable and binding special obligations of the Governmental Agency, payable from the future grant funds received by the Governmental Agency.

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL NOTES

Principal Amount of Local Notes \$231,492

Local Notes shall bear no interest. Principal of the Local Notes is payable on May 1, 2020.

The Local Notes are fully registered in the name of the Authority as to interest and principal. The Local Notes shall grant the Authority a first lien on the future grant receipts received by the Governmental Agency.

The Project will serve no new customers in the Fort Gay area of Wayne County.

SCHEDULE Z

[None]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF FORT GAY
SEWER GRANT ANTICIPATION NOTES, SERIES 2019 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$231,492

KNOW ALL MEN BY THESE PRESENTS: That on this 8th day of November, 2019, TOWN OF FORT GAY, a municipal corporation and political subdivision of the State of West Virginia in Wayne County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED THIRTY-ONE THOUSAND FOUR HUNDRED NINETY-TWO DOLLARS (\$231,492), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference.

This Note shall bear no interest. On May 1, 2020, the entire principal amount is payable as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated and made a part of this Note.

This Note may be redeemed prior to its stated date of maturity in whole or in part, upon thirty (30) days' advance written notice to the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated November 8, 2019.

This Note is issued (i) to temporarily pay the costs of design, acquisition and construction activities (the "Project"); and (ii) to pay certain costs of issuance and related costs. The existing sewer system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note 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 a Note Ordinance duly enacted by the Issuer on November 4, 2019, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on November 4, 2019 (collectively, the "Note Ordinance"), and is subject to all the terms and conditions thereof.

THIS NOTE HAS NO LIEN ON THE NET REVENUES OF THE SYSTEM. THE PAYMENT OF THE DEBT SERVICE ON THE NOTES SHALL BE SECURED BY A FIRST LIEN ON (I) ALL GRANT PROCEEDS RECEIVED BY THE ISSUER SUBSEQUENT TO THE ISSUANCE OF THE NOTES TO PERMANENTLY FINANCE A PORTION OF THE COSTS OF THE PROJECT; (II) ALL PROCEEDS OF ANY REVENUE BONDS, REFUNDING BONDS, BOND ANTICIPATION NOTES OR OTHER OBLIGATIONS OF THE ISSUER, ISSUED SUBSEQUENT TO THE ISSUANCE OF THE NOTES FOR PERMANENT FUNDING OF THE PROJECT; AND (III) SURPLUS REVENUES OF THE SYSTEM.

This Note is payable only from and secured by a first lien on (i) the proceeds of a grant or grants made available to the Issuer subsequent to the issuance of the Notes to permanently finance the Costs of the Project; (ii) the proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other

obligations of the Issuer, issued subsequent to the issuance of the Notes to permanently finance the Costs of the Project; and (iii) Surplus Revenues of the System. This Note 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, except as set forth in the Note Ordinance.

This Note, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Note shall be applied solely to payment of the Costs of the Project and costs of issuance described in the Note Ordinance, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Noteholder of this Note.

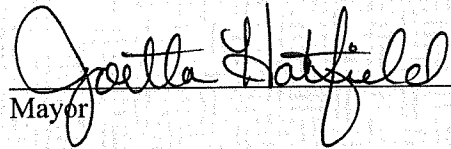
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]


Mayor

ATTEST

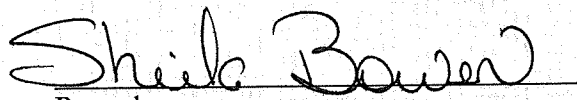

Recorder

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$25,296.57	11/08/2019	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of)
ASSIGNMENT

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

Dated: _____, 20____.

In the presence of:

WEST VIRGINIA MUNICIPAL BOND COMMISSION**NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone: (304) 558-3971

FAX: (304) 558-1280

mbc.wv.gov

Date of Report: 11/8/2019

ISSUE: Town of Fort GaySewer Grant Anticipation Notes, Series 2019 A (WDA)ADDRESS: 3407 Wayne Street, Fort Gay, WV 25514COUNTY: WaynePURPOSE OF ISSUE: ☒ New Money☐ Refunding

Refunding issue(s) dated: _____

ISSUE DATE: November 8, 2019RATE: 0.00% ADMIN FEE NAISSUE AMOUNT: \$231,4921st DEBT SERVICE DUE: May 1, 20201st PRINCIPAL DUE: May 1, 20201st DEBT SERVICE AMOUNT: \$ 231,492.00PAYING AGENT: MBGBOND COUNSEL: Stephoe & Johnson PLLCUNDERWRITERS COUNSEL: Jackson Kelly PLLCContact Name: John Stump, EsquireContact Name: Samme GeePhone: 304.353.8196Phone: 304- 340-1318Email: john.stump@stephoe-johnson.comEmail: sgee@jacksonkelly.com

CLOSING BANK: _____

ESCROW TRUSTEE: _____

Contact Name: _____

Contact Name: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

KNOWLEDGEABLE ISSUER CONTACT: _____

OTHER: _____

Contact Name: Sheila BowenContact Name: Sheila MillerTitle: RecorderTitle: CFOPhone: 304.648.5246Phone: 304.414.6500 x 105Email: sbowen_fgrecorder@yahoo.comEmail: smiller@wvwd.org

DEPOSITS TO MBC AT CLOSE: _____

Accrued Interest: _____

By: Wire

Capitalized Interest: _____

Check

Reserve Account: _____

In-house Transfer

Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE: _____

To Escrow Trustee: _____

By: Wire

To Issuer: _____

Check

To Cons.Invest Fund: _____

IGT

To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____

CUSIP: _____

ACCOUNT NUMBER: _____

PROGRAM NUMBER: _____

NOTES: The Series 2019 A Notes are payable at maturity and do not have a Reserve Account

FOR MUNIICIPAL BOND COMMISSION USE ONLY:

Documents Required: _____

Transfers Required: _____

Town of Fort Gay
Sewer Grant Anticipation Notes, Series 2019 A
(West Virginia Water Development Authority)

November 8, 2019

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Ladies and Gentlemen:

We have served as note counsel in connection with the issuance by the Town of Fort Gay (the "Issuer"), a municipality and political subdivision organized and existing under the laws of the State of West Virginia, of its \$231,492 Sewer Grant Anticipation Notes, Series 2019 A (West Virginia Water Development Authority), dated the date hereof (the "Series 2019 A Notes").

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated November 8, 2019, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority") and (ii) the Series 2019 A Notes, to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Series 2019 A Notes are issued in the principal amount of \$231,492, in the form of one note, bearing no interest, and with a principal maturity on May 1, 2020 all as set forth in the "SCHEDULE X" attached to the Loan Agreement and incorporated in and made a part of the Series 2019 A Notes.

The Series 2019 A Notes are issued for the purposes of (i) paying costs of construction of certain additions, betterments, improvements and extensions to the existing sewer system of the Issuer and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16 Article 13 of the Code of West Virginia, 1931, and Chapter 22C, Article 1 as amended (the "Act"), and the Note Ordinance duly enacted by the Issuer on November 4, 2019, as supplemented by the Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on November 4, 2019 (collectively, the "Notes Legislation"), pursuant to and under which the Series 2019 A Notes are authorized and issued, and the Loan Agreement has been undertaken. The Series 2019 A Notes are subject to redemption prior to maturity upon 30 days written notice to the Authority.

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

1. The Issuer is a duly created and validly existing municipality and political subdivision of the State of West Virginia, with full power and authority to commence the Project, to operate and maintain the System, to adopt the Notes Legislation and to issue and sell the Series 2019 A Notes, all under the Act and other applicable provisions of law.

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

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

4. The Series 2019 A Notes have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Surplus Revenues and future grants and bond proceeds issued to permanently finance the costs of the Project referred to in the Notes Legislation and secured by a first lien on and pledge of the Surplus Revenues, grants and future bond proceeds issued to permanently finance the costs of the Project.

5. The Series 2019 A Notes are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Series 2019 A Notes, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Series 2019 A Notes have not been issued on the basis that the interest, if any, thereon is or will be excluded from gross income for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2019 A Notes.

It is to be understood that the rights of the holders of the Series 2019 A Notes and the enforceability of the Series 2019 A Notes, the Loan Agreement and the Notes Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

GEORGE B. MORRONE III, ESQUIRE

1120 Oak Street
Kenova, West Virginia 25530
304.690.0784
trey.morrone@morrone-law.org

November 8, 2019

Town of Fort Gay
Sewer Grant Anticipation Notes, Series 2019 A
(West Virginia Water Development Authority)

Town of Fort Gay
Fort Gay, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the Town of Fort Gay, a municipality in Wayne County, West Virginia (the "Issuer"). As such counsel, I have examined a certified copy of proceedings and other papers relating to the authorization of the Sewer Grant Anticipation Notes, Series 2019 A (West Virginia Water Development Authority) dated November 8, 2019 (the "Series 2019 A Notes"), including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Issuer and the West Virginia Water Development Authority (the "Authority"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Loan Agreement and the Notes Legislation.

The Series 2019 A Notes is being provided for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying costs of issuance and related costs.

I have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), and the Note Ordinance duly enacted by the Issuer on November 4, 2019 as supplemented by Supplemental Resolution and Conformed Ordinance duly adopted on November 4, 2019 (the "Notes Legislation"), pursuant to and under which Act and Notes Legislation, the Series 2019 A Notes are authorized and the Loan Agreement has been undertaken.

Based upon the foregoing and upon my examination of such other documents as I have deemed necessary, I am of the opinion as follows:

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

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

3. The Issuer is a duly organized and validly existing municipality, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Notes Legislation and to enter into the Loan Agreement, all under the Act and other applicable provisions of law.

4. The members and officers of the governing body of the Issuer have been duly and properly authorized and elected, have taken the requisite oaths and are thereby authorized to act on behalf of the Issuer in their respective capacities.

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

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

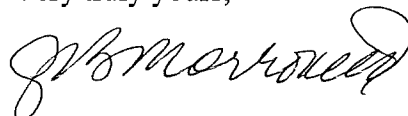
7. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Series 2019 A Notes, the construction of the Project, and the operation of the System, including, without limitation, all requisite permits, approvals, orders and certificates from the West Virginia Infrastructure and Jobs Development Council.

8. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement or the Notes Legislation, the construction of the Project, or the operation of the System.

9. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Notes Legislation and the Loan Agreement; and (vi) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "GBMorrone III", written in a cursive, flowing style.

George B. Morrone III, Esq.
(West Virginia Bar No. 4980)

GBM/hs