STATE OF WEST VIRGINIA

EXECUTIVE DEPARTMENT

CHARLESTON

EXECUTIVE ORDER NO. 10-16

AND DECLARATION

BY THE GOVERNOR

AND

BY THE WEST VIRGINIA COMMISSIONER OF HIGHWAYS

WHEREAS, the Legislature of the State of West Virginia (the "State") enacted chapter seventeen, article seventeen-a of the Code of West Virginia, 1931, as amended (the "Act"), relating to authorizing the Commissioner of Highways (the "Commissioner") to pay the cost of any surface transportation improvements through the issuance of special obligation notes not to exceed two hundred million dollars ($200,000,000), and such notes to be described in a written declaration executed by the governor (the "Governor") and the Commissioner and filed with the Secretary of State (hereinafter, the "Declaration"); and

WHEREAS, the State has selected a certain surface transportation project the accelerated construction of which will improve highway safety and enhance economic development, and which surface transportation project is eligible for federal highway reimbursement; and

WHEREAS, the Commissioner has entered into a Memorandum of Understanding with the Federal Highway Administration dated December 7, 2016, (the "Agreement"), which Agreement provides for the advance construction of the designated surface transportation project and the reimbursement for the debt service on notes issued to fund the construction of said project; and

WHEREAS, pursuant to the Act, it is necessary and desirable for the State to issue its $53,380,000 State of West Virginia (Commissioner of Highways) Surface Transportation Improvements Special Obligation Notes, Series 2016 A (the "Notes"); and

WHEREAS, pursuant to the Act, it is in the best interest of the State for the Notes to be sold to Citigroup Global Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters"); and

WHEREAS, the proceeds of the sale of the Notes to the Underwriters (net of original issue premium/discount and costs of issuance associated with the sale of the Notes) shall be deposited into a project fund (the "Surface Transportation Notes Project Fund"), created and established pursuant to the Master Trust Indenture dated December 22, 2016 (the "Indenture"), between the Commissioner and The Bank of New York Mellon, Woodland Park, New Jersey, as Trustee (the "Trustee"), to be supplemented by the series indenture to be dated the date of closing (the "Series Indenture") and shall be used solely for the payment of the cost of the surface transportation improvements approved herein; and

WHEREAS, certain action is required of me, as Governor and of me, as Commissioner, in order for the Notes to be issued and sold.

NOW, THEREFORE, I, EARL RAY TOMBLIN, GOVERNOR, pursuant to and by the authority vested in me as the Chief Executive Officer of this State, do hereby **FIND, DETERMINE, DECLARE** and **ORDER** that and **I, PAUL A. MATTOX, JR.**, Commissioner of Highways do hereby **FIND, DETERMINE, DECLARE** and **ORDER** that:

Section 1. Findings. A. The issuance of the Notes as herein provided will enable the State to construct an access road from the intersection of WV 3 and US 119 near Danville in Boone County, West Virginia to an existing coal haul road as is more fully described in the project documents, commonly referred to as the Rock Creek Development Project (the "Project"), and is in the best interests of the people of, and business and industry in, the State.

B. The estimated cost of the Project, based on actual bids and a reasonable contingency, is $94,502,202.33. The costs will be paid from proceeds of the Notes and monies in the State Road Fund.

C. The Commissioner has verified said costs, as required by Section 3 of the Act.

D. There are no prior notes issued pursuant to the Act currently outstanding.

E. The manner of sale, prices or price and the terms and conditions of the Notes have been approved by the Five Member Transportation Advisory Group, as required by Section 4 of the Act.

Section 2. Issuance of the Notes. The issuance of the Notes on behalf of the State in the aggregate principal amount of $53,380,000 and dated as of the issue date, is hereby authorized and approved. The Notes shall be designated "State of West Virginia (Commissioner of Highways) Surface Transportation Improvements Special Obligation Notes, Series 2016 A," and shall be numbered AR-1 upward. The Notes shall be issued in denominations of $5,000 or any integral multiple thereof, in fully-registered form, and initially issued in book-entry form and registered to Cede & Co. as nominee for The Depository Trust Company. Interest on the Notes is payable on each March 1 and September 1 (each an "Interest Payment Date"), commencing March 1, 2017. The interest rate per annum and the maturity schedule and provisions for payment or redemption are set forth in Exhibit A hereto and incorporated herein by reference. The form of the Notes attached to the Indenture is hereby approved, subject to appropriate insertions and variations as are approved by me, as Governor, and by me, as Commissioner; the Notes shall be executed by the manual or facsimile signatures of the Governor and the Commissioner and attested by the manual or facsimile signature of the Secretary of the State, and the great seal of the State of West Virginia shall be impressed or imprinted thereon; and the Notes shall be delivered to the Trustee, as Registrar and Authenticating Agent (the "Registrar"), for registration, authentication and delivery as provided herein. The validity of any Note so executed shall not be affected by the fact that one or more of the officers whose signatures appear on such Note have ceased to hold office at the time of issuance or authentication or at any time thereafter.

Section 3. The Notes. The Notes shall contain a recital that they are issued pursuant to the Act and shall be secured by the pledge set forth in the Indenture and the Act. The

Notes, together with the interest thereon, are special obligations of the State and shall not constitute a debt or pledge of the faith and credit or taxing power of the State or of any county, municipality or any political subdivision of the State, and the holders or owners thereof shall have no right to have taxes levied by the legislature of the State or the taxing authority of any county, municipality or any other political subdivision of the State for the payment of the principal thereof or interest thereon, but the Notes and any refunding notes thereof shall be payable solely from the revenues and funds pledged for their payment as provided in said Indenture.

Section 4. Indenture and Series Indenture.

The forms of the Indenture to be dated the date of closing (the "Indenture") and the Series Indenture to be dated the date of closing (the "Series Indenture"), between the Commissioner and The Bank of New York Mellon, as Trustee, attached as Exhibit B hereto and incorporated herein by reference, and its execution and delivery by the Commissioner, shall be and hereby are approved, with such changes, insertions and omissions as may be approved by the Commissioner. The execution of the Indenture and the Series Indenture by the Commissioner shall be conclusive evidence of such approval.

Section 5. Note Purchase Agreement. The Note Purchase Agreement, as attached hereto as Exhibit C and made a part of this Declaration as though set forth in full herein, providing for the sale of the Notes to the Underwriters pursuant to the terms thereof, shall be and the same hereby is approved with such changes, insertions and omissions as shall be consistent with the Act. Execution of said document by me, as Commissioner, shall be conclusive evidence of my approval of any such changes, insertions and omissions. The Notes shall be sold to the Underwriters for the purchase price of $58,043,062.49, which reflects original issue premium of $4,832,715.50, less Underwriters' discount of $169,653.01.

Section 6. Official Statement. The Preliminary Official Statement, a draft of which is attached hereto as Exhibit D, and the distribution of such Preliminary Official Statement by the Underwriter, are hereby ratified, confirmed and approved. The final Official Statement of the Commissioner to be attached to the Declaration is hereby deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, omissions, insertions and revisions as the Commissioner shall deem advisable, such signature to evidence approval thereof, and is hereby authorized, and the Commissioner shall sign and deliver two

copies of such final Official Statement to the Underwriters for distribution to prospective purchasers thereof and other interested persons.

Section 7. Disclosure Dissemination Agent Agreement. The Disclosure Dissemination Agent Agreement (the "Disclosure Agreement") between the State and Digital Assurance Certification, L.L.C., dated the date of closing is hereby ratified, confirmed and approved.

Section 8. Closing Date. As Governor, I shall, and as Commissioner, I shall, and other proper officers of the State are hereby authorized and directed to, execute and deliver any and all papers and instruments and to do and cause to be done any and all action and things necessary or proper for carrying out the transactions contemplated by this Declaration, including but not limited to, the execution of the Indenture and Disclosure Agreement, on or about December 22, 2016.

Section 9. Use of Note Proceeds. From the proceeds of the Notes, $57,803,062.49 are hereby ordered to be deposited in the Series 2016 A Project Fund to pay a portion of the costs of the Project, as provided in the Indenture and $240,000.00, shall be deposited in or credited to the Series 2016 A Costs of Issuance Fund to pay Costs of Issuance.

Section 10. Cost of Issuance. Pursuant to the Act, all necessary and reasonable expenses incident to the issuance of the Notes, including, but not limited to, mailing and delivery of the Notes, the Official Statement, any amendment or supplement to the Official Statement, including the mailing and delivery thereof by the printer, fees and expenses of the Underwriters, fees and expenses of Bond Counsel, fees and expenses of a financial advisor for the Notes, any fee charged by rating agencies for the rating of the Notes, fees and expenses of the Trustee, Registrar and Authenticating Agent, fees and expenses of the Trustee's Counsel, fees and expenses of the Disclosure Counsel and any other cost, charge or fee incurred in the issuance of the Notes, shall be paid from proceeds of the Notes deposited in the Costs of Issuance Fund. The list of approved cost of issuance is attached as Exhibit E.

Section 11. Effective Date. This Declaration shall take effect on the date hereof.

IN WITNESS WHEREOF, We have hereunto set our hands and caused the Great Seal of the State of West Virginia to be affixed.

Done at the Capitol, in the City of Charleston, State of West Virginia, this the 15th day of December, in the year of our Lord, Two Thousand Sixteen, and in the One Hundred Fifty-fourth year of the State.



GOVERNOR

Earl Ray Tomblin

BY THE GOVERNOR

COMMISSIONER OF HIGHWAYS

Paul D. Mattox, Jr.

BY THE COMMISSIONER

[GREAT SEAL]

Natalie Tennant

SECRETARY OF STATE