THE CITY OF BLUEFIELD
SEWER REVENUE BONDS, SERIES 2020 A
(WEST VIRGINIA SRF PROGRAM); AND
SEWER REVENUE BONDS, SERIES 2020 B
(VIRGINIA WATER FACILITIES REVOLVING FUND)

BOND ORDINANCE

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THE CITY OF BLUEFIELD

ORDINANCE AUTHORIZING THE PAYMENT OF THE SEWER SURPLUS REVENUE NOTES, SERIES 2017 A, THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BLUEFIELD AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF BLUEFIELD OF NOT MORE THAN $3,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2020 A (WEST VIRGINIA SRF PROGRAM); AND NOT MORE THAN $13,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2020 B (VIRGINIA WATER FACILITIES REVOLVING FUND) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING A LOAN AGREEMENT AND FINANCING AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD:

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Bluefield (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be

acquired and constructed certain additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of sewer line and manhole replacement in the Bolton Street, Rannels Acres and Washington Street areas, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of its Sewer Surplus Revenue Notes, Series 2017 A, dated October 13, 2017 issued in the original aggregate principal amount of $1,929,000 (the “Prior Note”).

D. It is deemed necessary and desirable for the Issuer to pay the Prior Note.

E. The Issuer intends to pay the Prior Note and permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program") for the West Virginia Department of Environmental Protection (the “DEP”), and to the Virginia Resources Authority (the “VRA”) which administers the Virginia Water Facilities Revolving Fund for the Virginia Department of Environmental Quality (the “DEQ”) all pursuant to the Act. The Authority, the DEP, the DEQ and the VRA are referred to collectively herein as the “Lenders”.

F. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than $17,000,000 in one or more series, initially planned to be the Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), in the aggregate principal amount of not more than $3,500,000 (the "Series 2020 A Bonds") and Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), in the aggregate principal amount of not more than $13,500,000 (the “Series 2020 B Bonds”) (collectively the “Series 2020 Bonds”); to pay the Prior Note, permanently finance the costs of acquisition and construction of the Project and pay costs of issuance. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2020 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2020 A Bonds Reserve Account and/or Series 2020 B Bonds Reserve Account (as hereinafter defined); the costs of paying the Prior Note in full, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereafter defined), the VRA Administrative Fee (as hereafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2020 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the

Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2020 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

H. It is in the best interests of the Issuer that its Series 2020 A Bonds be sold to the Authority pursuant to the terms and provisions of an Loan Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and the Series 2020 B Bonds be sold to the VRA pursuant to the terms and provisions of a Financing Agreement by and between the Issuer and the VRA, all in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

I. Upon payment of the Prior Notes, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2020 Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

(i) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645 (the "Series 1998 A Bonds");

(ii) Sewerage System Revenue Bonds, Series 2000 A, dated July 13, 2000, issued in the original aggregate principal amount of $307,000 (the "Series 2000 A Bonds");

(iii) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated January 28, 2010, issued the original aggregate principal amount of $2,883,295 (the "Series 2010 B Bonds"); and

(iv) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $1,358,924 (the "Series 2013 A Bonds") (collectively, the "Prior Bonds").

The Series 2020 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2020 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2020 Bonds on a parity with the Prior Bonds. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinances.

J. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the

System, the principal of and interest on the Issuer's Prior Bonds, and the Series 2020 Bonds and to make payments into all funds and accounts and other payments provided for herein.

K. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement and the Financing Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2020 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council.

L. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2020 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2020 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2020 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2020 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Board" means the Sanitary Board of the Issuer.

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

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

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2020 A Bonds from the Issuer by the Authority, the forms of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Bonds" means, collectively, the Series 2020 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

“Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2020 Bonds for all or a portion of the proceeds of the Series 2020 Bonds from the Lenders.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the costs of design, acquisition and construction of the Project as described in Section 1.02B hereof.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the functions of the DEP.

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

"DEQ" means the Virginia Department of Environmental Quality, created and acting under Chapter 11.1, Title 10.1, of the Code of Virginia, as amended.

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

"Financing Agreement" means the Financing Agreement heretofore entered, or to be entered into, by and between the Issuer and the VRA, providing for the purchase of the Series 2020 B Bonds from the Issuer by the VRA which administers the Virginia Water Facilities Revolving Fund for the DEQ, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Governing Body" means the Board of Directors 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 all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

"Issuer" means The City of Bluefield, a municipal corporation and political subdivision of the State of West Virginia, in Mercer County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Lenders” means collectively, the Authority, the DEP, the DEQ and the VRA.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2020 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2020 A Bonds Reserve Account or Series 2020 B Bonds Reserve Account.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee and VRA Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority.

“Prior Bonds” means the Series 1998 A Bonds, Series 2000 A Bonds, Series 2010 B Bonds, and Series 2013 A Bonds.

"Prior Ordinances" means the ordinance of the Issuer authorizing the issuance of the Prior Bonds.

“Prior Note” means the Issuer’s Sewer Surplus Revenue Notes, Series 2017 A, dated October 13, 2017 issued in the original aggregate principal amount of $1,929,000.

“Prior Note Ordinance” means the ordinance of the Issuer authorizing the Prior Note.

"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.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2020 Bonds.

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

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

“Series 1998 A Bonds” means the Issuer’s Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645.

“Series 2000 A Bonds” means the Issuer’s Sewerage System Revenue Bonds, Series 2000 A, dated July 13, 2000, issued in the original aggregate principal amount of $307,000.

“Series 2010 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated January 28, 2010, issued the original aggregate principal amount of $2,883,295.

“Series 2013 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $1,358,924.

“Series 2020 Bonds” means collectively, the Series 2020 A Bonds and the Series 2020 B Bonds.

"Series 2020 Bonds Construction Trust Fund" means the Series 2020 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2020 A Bonds" means the Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2020 A Bonds Reserve Account" means the Series 2020 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2020 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2020 A Bonds in the then current year.

"Series 2020 A Bonds Sinking Fund" means the Series 2020 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2020 B Bonds" means the Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), of the Issuer, authorized by this Ordinance.

"Series 2020 B Bonds Reserve Account" means the Series 2020 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2020 B Bonds Reserve Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2020 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2020 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2020 B Bonds.

"Series 2020 B Bonds Sinking Fund" means the Series 2020 B Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2020 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2020 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2020 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2020 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the complete existing public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project 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.

“VRA” means the Virginia Resources Authority or any successor thereto.

"VRA Administrative Fee" means any administrative fee required to be paid under the Financing Agreement for the Series 2020 B Bonds.

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

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE PRIOR NOTE

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

exceed $17,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2020 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP, the DEQ and the VRA.

The cost of the Project is estimated not to exceed $17,000,000, of which up to $3,500,000 will be obtained from proceeds of the Series 2020 A Bonds and up to $13,500,000 will be obtained from the Series 2020 B Bonds.

Section 2.02. Authorization of Payment of Prior Note. The Prior Note outstanding as of the date of issuance of the Series 2020 Bonds is hereby ordered to be paid in full, and the pledge of assets, if any, in favor of the Holders of the Prior Note, and the monies in the funds and accounts created by the Prior Note pledged to payment of the Prior Note, if any, and any other funds pledged to pay of the Prior Note, if any, are hereby ordered terminated, discharged and released upon the payment to the Holder of the Prior Note from the proceeds of the Series 2020 Bonds and from other monies available therefor, of the following: an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Prior Note and an amount which will provide for the payment of the entire outstanding principal of and all accrued interest on the Prior Note, plus the premium, if any, on the Closing Date.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT AND FINANCING AGREEMENT

Section 3.01. Authorization of Bonds. A. For the purposes of paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2020 Bonds 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 2020 A Bonds of the Issuer. The Series 2020 A Bonds shall be issued in one or more series, each as a single bond, originally designated as "Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program)", in the principal amount of not more than $3,500,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2020 A Bonds remaining after funding of the Series 2020 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2020 Bonds Construction Trust Funds established by Section 5.01 hereof.

B. For the purposes of paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2020 Bonds 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 2020 B Bonds of the Issuer. The Series 2020 B Bonds shall be issued in one or more series, each as a single bond, originally designated as "Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund)", in the principal amount of not more than $13,500,000, and

all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2020 B Bonds remaining after funding of the Series 2020 B Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2020 Bonds Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. A. The Series 2020 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2020 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2020 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2020 A Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2020 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

B. The Series 2020 B Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable semi-annually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Financing Agreement. The Series 2020 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2020 B Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the VRA is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2020 B Bonds shall initially be issued in the form of a single bond for each series, fully registered to the VRA, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2020 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as

applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the VRA shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2020 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2020 Bonds shall cease to be such officer of the Issuer before the Series 2020 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2020 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2020 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2020 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2020 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2020 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2020 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2020 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2020 Bonds are exercised, all Series 2020 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2020 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2020 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2020 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2020 Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2020 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2020 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2020 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2020 Bonds or the interest thereon.

Section 3.08. Series 2020 Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2020 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2020 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2020 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2020 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. If other than the VRA, a list of the names in which the Series 2020 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

C. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2020 Bonds to the original purchasers;

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

E. An executed copies of the Loan Agreement and Financing Agreement; and

F. The unqualified approving opinions of bond counsel on the Series 2020 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2020 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2020 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD
SEWER REVENUE BONDS, SERIES 2020 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL PERSONS BY THESE PRESENTS: That on the ___ day of _____, 2020, THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of _____% payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of _____% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, as set forth on said EXHIBIT B.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the “Registrar”), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in

compliance with, the Loan Agreement (the “Loan Agreement”) by and among the Issuer, the Authority, and the DEP, dated _____, 2020.

This Bond is issued (i) to pay the Sewer Surplus Revenue Notes, Series 2017 A, dated October 13, 2017 issued in the original aggregate principal amount of $1,929,000 (the “Prior Note”); (ii) to pay a portion the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the “Bonds”) and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2020, and a Supplemental Resolution duly adopted by the Issuer on _____, 2020 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

(I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645 (THE "SERIES 1998 A BONDS");

(II) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, DATED JULY 13, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $307,000 (THE “SERIES 2000 A BONDS”);

(III) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,883,295 (THE “SERIES 2010 B BONDS”);

(IV) SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,358,924 (THE “SERIES 2013 A BONDS”) (COLLECTIVELY, THE “PRIOR BONDS”); AND

(V) SEWER REVENUE BONDS, SERIES 2020 B (VIRGINIA WATER FACILITIES REVOLVING FUND), DATED _____,

2020, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SEIES 2020 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and Series 2020 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2020 A Bonds (the "Series 2020 A Bonds Reserve Account"), and unexpended proceeds of the Series 2020 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an 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 from said special fund provided from the Net Revenues, the monies in the Series 2020 A Bonds Reserve Account and unexpended proceeds of the Series 2020 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2020 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2020 A Bonds including the Prior Bonds and Series 2020 B Bonds; provided however, that, so long as there exists in the Series 2020 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2020 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds and Series 2020 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, has caused this Bond to be dated the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2020 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2020.

UNITED BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

(FORM OF SERIES 2020 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD
SEWER REVENUE BONDS, SERIES 2020 B
(VIRGINIA WATER FACILITIES REVOLVING FUND)

No. BR-1 $_____

KNOW ALL PERSONS BY THESE PRESENTS: That on the ___ day of _____, 2020, THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Borrower"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the VIRGINIA RESOURCES AUTHORITY (the "VRA") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Borrower hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in semi-annual installments on _____ 1, and _____ 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of _____% payable in semi-annual installments on _____ 1 and _____ 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The VRA Administrative Fee of _____% (as defined in the hereinafter described Bond Legislation) shall also be payable semi-annually on _____ 1, and _____1 of each year, commencing _____ 1, 20___, as set forth on said EXHIBIT B.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the “Registrar”), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the VRA is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the VRA, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Financing Agreement (the “Financing Agreement”) by and between the Borrower and the VRA dated _____, 2020.

This Bond is issued (i) to pay a portion the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Borrower (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the “Bonds”) and related costs. The existing public sewerage system of the Borrower, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Borrower on _____, 2020, and a Supplemental Resolution duly adopted by the Borrower on _____, 2020 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

(I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645 (THE "SERIES 1998 A BONDS");

(II) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, DATED JULY 13, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $307,000 (THE “SERIES 2000 A BONDS”);

(III) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,883,295 (THE “SERIES 2010 B BONDS”);

(IV) SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,358,924 (THE “SERIES 2013 A BONDS”) (COLLECTIVELY, THE “PRIOR BONDS”); AND

(V) SEWER REVENUE BONDS, SERIES 2020 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 2020, ISSUED SIMULTANEOUSLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE “SERIES 2020 A BONDS”).

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and the Series 2020 A Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2020 B Bonds (the "Series 2020 B Bonds Reserve Account"), and unexpended proceeds of the Series 2020 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provisions or limitations, nor shall the Borrower be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2020 B Bonds Reserve Account and unexpended proceeds of the Series 2020 B Bonds. Pursuant to the Bond Legislation, the Borrower has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2020 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2020 B Bonds including the Prior Bonds and the Series 2020 A Bonds; provided however, that, so long as there exists in the Series 2020 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2020 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds and Series 2020 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Borrower has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, has caused this Bond to be dated the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2020 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2020.

UNITED BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement and Financing Agreement. The Series 2020 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement and the Series 2020 B Bonds shall be sold to the VRA, pursuant to the terms and conditions of the Financing Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement and the Financing Agreement, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority and the VRA respectively, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority and the DEP a schedule for the Series 2020 A Bonds setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Renewal and Replacement Fund (established by Prior Ordinances); and

(3) Series 2020 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

(1) Series 1998 A Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1998 A Bonds Reserve Account (established by Prior Ordinances);

(3) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);

(5) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(7) Series 2020 A Bonds Sinking Fund;

(8) Series 2020 A Bonds Reserve Account;

(9) Series 2020 B Bonds Sinking Fund; and

(10) Series 2020 B Bonds Reserve Account.

No accounts are established for the Series 2010 B Bonds as they are forgivable.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for payment of interest on the Series 2013 A Bonds; (ii) to the Commission, commencing 4 months prior to the first date of payment of interest on the Series 2020 A Bonds, for deposit in the Series 2020 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest due on the Series 2020 A Bonds on the next ensuing quarterly principal payment date; and (iii) to the Commission, commencing 7 months prior to the first date of payment of interest on the Series 2020 B Bonds, for deposit in the Series 2020 B Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest due on the Series 2020 B Bonds on the next ensuing semi-annual interest payment date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for payment of principal of the Prior Bonds; (ii) commencing 4 months prior to the first date of

payment of principal of the Series 2020 A Bonds, for deposit in the Series 2020 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2020 A Bonds on the next ensuing quarterly principal payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2020 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) commencing 7 months prior to the first date of payment of principal of the Series 2020 B Bonds, for deposit in the Series 2020 B Bonds Sinking Fund, an amount equal to 1/6th of the amount of principal which will mature and come due on the Series 2020 B Bonds on the next ensuing semi-annual principal payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2020 B Bonds Sinking Fund and the next semi-annual principal payment date is less than 6 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next semi-annual principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances to be deposited in the reserve accounts for the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2020 A Bonds, if not fully funded upon issuance of the Series 2020 A Bonds, for deposit in the Series 2020 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2020 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2020 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2020 A Bonds Reserve Requirement; and (iii) commencing 7 months prior to the first date of payment of principal of the Series 2020 B Bonds, if not fully funded upon issuance of the Series 2020 B Bonds, for deposit in the Series 2020 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2020 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2020 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2020 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (as required in the Prior Ordinances and not in addition thereto), for deposit in the

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

Monies in the Series 2020 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2020 A Bonds as the same shall become due. Monies in the Series 2020 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2020 A Bonds, as the same shall come due, when other monies in the Series 2020 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Monies in the Series 2020 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2020 B Bonds as the same shall become due. Monies in the Series 2020 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2020 B Bonds, as the same shall come due, when other monies in the Series 2020 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2020 A Bonds Sinking Fund and the Series 2020 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2020 Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2020 A Bonds, if any, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

All investment earnings on monies in the Series 2020 B Bonds Sinking Fund and the Series 2020 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2020 Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2020 B Bonds, if any, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2020 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Reserve Requirement thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2020 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Reserve Requirement thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

The Issuer shall not be required to make any further payments into the Series 2020 A Bonds Sinking Fund or the Series 2020 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2020 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2020 B Bonds Sinking Fund or the Series 2020 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2020 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2020 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2020 A Bonds Sinking Fund, Series 2020 A Bonds Reserve Account, Series 2020 B Bonds Sinking Fund and Series 2020 B Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2020 A Bonds Sinking Fund, Series 2020 A Bonds Reserve Account, Series 2020 B Bonds Sinking Fund and Series 2020 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2020 A Bonds Sinking Fund and the Series 2020 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2020 A Bonds under the conditions and restrictions set forth herein.

The Series 2020 B Bonds Sinking Fund and the Series 2020 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2020 B Bonds under the conditions and restrictions set forth herein.

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. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2020 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement for the Series 2020 A Bonds and the VRA Administrative Fee as set forth in the Financing Agreement for the Series 2020 B Bonds.

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

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

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2020 Bonds and the Prior Bonds all in accordance with the respective principal amounts outstanding before being applied to any other payments hereunder.

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

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

I. All Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI
APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2020 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2020 A Bonds, there shall first be deposited with the Commission in the Series 2020 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2020 A Bonds, there shall be deposited with the Commission in the Series 2020 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2020 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 2020 A Bonds, there shall be deposited with First Community Bank an amount sufficient to pay in full the outstanding principal of, interest on, for the Prior Note on the Closing Date.

D. From the proceeds of the Series 2020 B Bonds, there shall first be deposited with the Commission in the Series 2020 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

E. Next, from the proceeds of the Series 2020 B Bonds, there shall be deposited with the Commission in the Series 2020 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2020 B Bonds Reserve Account.

F. As the Issuer receives advances of the monies derived from the sale of the Series 2020 Bonds, such monies shall be deposited with the Depository Bank in the Series 2020 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2020 Bonds.

G. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2020 A Bonds shall be expended as approved by the DEP and any remaining proceeds of the Series 2020 B Bonds shall be expended as approved by the VRA.

Section 6.02. Disbursements of Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Lenders a report listing the specific purposes for which the proceeds of the Series 2020 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2020 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2020 A Bonds shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule; and disbursements from the Series 2020 B Bonds shall be made only after submission to, and approval from, the VRA of a completed and signed "Form of Requisition," a form of which is attached to the Financing Agreement

Pending such application, monies in the Series 2020 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2020 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2020 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2020 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2020 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2020 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2020 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2020 Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and Financing Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted December 11, 2018 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2020 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement and Financing Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2020 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation, the Loan Agreement, and the Financing Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation, the Loan Agreement and the Financing Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the written consent of the Authority and the VRA.

So long as the Series 2020 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the VRA, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2020 Bonds Sinking Fund, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2020 Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the

operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Sinking Fund for repayment of the Bonds. The payment of such proceeds into the Renewal and Replacement Fund and Sinking Fund shall not reduce the amounts required to be paid into such account by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in the Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2020 Bonds. All obligations issued by the Issuer after the issuance of the Series 2020 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2020 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2020 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2020 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of

the Series 2020 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the VRA and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such additional Parity Bonds shall be issued except for the purposes of financing the costs of the design, acquisition and construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of two or more series of bonds issued pursuant hereto, or to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

So long as the Prior Bonds or the Series 2020 Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

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

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

All covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within

the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for the Bonds theretofore issued pursuant to this Ordinance.

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

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

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

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia 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 and the DEP, or any other original purchaser of the Series 2020 Bonds and shall mail in each year to any Holder or Holders of the Series 2020 Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations 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 2 CFR 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 2020 A Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2020 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement for the Series 2020 A Bonds or any Exhibit thereto or as promulgated from time to time. The Issuer shall provide the VRA with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Financing Agreement for the Series 2020 B Bonds or any Exhibit thereto or as promulgated from time to time.

The Issuer shall permit the Lenders, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion

of construction and commencement of operation of the Project, the Issuer shall also provide the Lenders, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Lenders with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2020 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinances so long as the Prior Bonds are outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2020 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2020 Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2020 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2020 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2020 Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 60 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Lenders within 30 days of adoption thereof.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP 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 Lenders 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 Lenders 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 require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement for the Series 2020 A Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the

property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2020 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Lenders, the prime contractor and all subcontractors as their respective interests may appear, in accordance

with the Loan Agreement and Financing Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such

purposes and as is customarily carried with respect to works and properties similar to the Project; provided, that the amounts and terms of such coverage are satisfactory to the Lenders. In the event the Loan Agreement or Financing Agreement so requires, such insurance shall be made payable to the order of the Lenders, the Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals required by State law necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2020 Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

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

Section 7.19. Securities Law Compliance. The Issuer will provide the Lenders 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 Lenders may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.20. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2020 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2020 A Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2020 A Bonds made available due to bid or construction or project underruns.

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

Section 7.21. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2020 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2020 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII
INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission or Depository Bank, or such other bank or national banking

association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often 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 2020 Bonds 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 2020 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2020 Bonds as a condition to issuance of the Series 2020 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2020 Bonds as may be necessary in order to maintain the status of the Series 2020 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2020 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Lenders, as the case may be, from which the proceeds of the Series 2020 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Lenders, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Lenders information with respect to the Issuer's use of the proceeds of the Series 2020 Bonds and any additional information requested by the Lenders.

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 2020 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2020 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2020 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2020 Bonds, and such default shall have continued for a period of

30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

(3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided, that, all rights and remedies of the Holders of the Series 2020 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest

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

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

ARTICLE X
PAYMENT OF BONDS

Section 10.01. Payment of Series 2020 Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2020 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2020 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2020 Bonds from gross income for federal income tax purposes.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2020 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2020 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would

materially and adversely affect the rights of Registered Owners of the Series 2020 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2020 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2020 Bonds 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 Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2020 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2020 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2020 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided, that, in the event of any conflict between this Ordinance and the Prior Ordinances and Series 2020 B Bond Ordinance, the Prior Ordinances and Series 2020 B Bond Ordinance shall control (unless less restrictive), so long as the Prior Bonds or Series 2020 B Bonds are outstanding.

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Bluefield Daily*

Telegraph a newspaper of general circulation in The City of Bluefield, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2020 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading: January 14, 2020

Passed on Second Reading: January 28, 2020

Passed on Final Reading
Following Public Hearing: March 10, 2020

THE CITY OF BLUEFIELD

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of THE CITY OF BLUEFIELD on the 10th day of March, 2020.

Dated: June 4, 2020

[SEAL]

Bobbi H Kinsey

Clerk

The City of Bluefield
Sewer Revenue Bonds, Series 2020 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2020 A (WEST VIRGINIA SRF PROGRAM) AND SEWER REVENUE BONDS, SERIES 2020 B (VIRGINIA WATER FACILITIES REVOLVING FUND) OF THE CITY OF BLUEFIELD; APPROVING AND RATIFYING THE LOAN AGREEMENT AND FINANCING AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND VIRGINIA RESOURCES AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Board of Directors (the "Governing Body") of The City of Bluefield (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective March 10, 2020 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE SEWER SURPLUS REVENUE NOTES, SERIES 2017 A, THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BLUEFIELD AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF BLUEFIELD OF NOT MORE THAN $3,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2020 A (WEST VIRGINIA SRF PROGRAM); AND NOT MORE THAN $13,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2020 B (VIRGINIA WATER FACILITIES REVOLVING FUND) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS;

AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING A LOAN AGREEMENT AND FINANCING AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program) in an aggregate principal amount not to exceed $3,500,000 (the "Series 2020 A Bonds"); and the Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund) in an aggregate principal amount not to exceed $13,500,000 (the "Series 2020 B Bonds"), (collectively, the "Series 2020 Bonds");

WHEREAS, the Bond Ordinance has authorized the execution and delivery of a Loan Agreement relating to the Series 2020 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), and authorized the execution and delivery of a Financing Agreement relating to the Series 2020 B Bonds, including all schedules and exhibits attached thereto, by and between the Issuer and the Virginia Resources Authority (the "VRA"), (the "Financing Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement, Financing Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2020 Bonds should be established by a supplemental resolution pertaining to the Series 2020 Bonds; and that other matters relating to the Series 2020 Bonds be herein provided for;

WHEREAS, the Loan Agreement and Financing Agreement have been presented to the Issuer at this meeting;

WHEREAS, the Series 2020 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement;

WHEREAS, the Series 2020 B Bonds are proposed to be purchased by the VRA pursuant to the Financing Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement and Financing Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2020 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2020 Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BLUEFIELD:

Section 1. A. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), of the Issuer, originally represented by a single bond, numbered AR-1, in the original aggregate principal amount of $3,066,273. The Series 2020 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2040 and shall bear interest at the rate of 2.75% per annum The principal and interest of the Series 2020 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2022 to and including June 1, 2040, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2020 A Bonds and incorporated in and made a part of the Series 2020 A Bonds. The Series 2020 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and 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 2020 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.25% of the principal amount of the Series 2020 A Bonds set forth in "Schedule Y" attached to the Loan Agreement.

B. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), of the Issuer, originally represented by a single bond, numbered BR-1, in the original aggregate principal amount not to exceed $13,500,000, bear interest at a rate not to exceed 5.0% and shall mature not more than 30 years from Closing, all as shall subsequently be approved by the Mayor pursuant to the execution and delivery by the Mayor of a Certificate of Determinations with respect to the Series 2020 B Bonds, dated the date of Closing, the form of which is attached hereto as EXHIBIT A and approved hereby (the "Certificate of Determinations"); provided however, that the specific terms of the Series 2020 B Bonds shall be as determined by the Mayor and as approved by the Mayor in the Certificate of Determinations. All other provisions relating to the Series 2020 B Bonds shall be as provided in the Bond Ordinance.

Section 2. All other provisions relating to the Series 2020 Bonds and the text of the Series 2020 Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement and the Financing Agreement, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreement and Financing 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 the Financing Agreement and in the applications to the VRA, the DEP and the Authority. The price of the Series 2020 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2020 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2020 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the

Series 2020 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2020 Bonds under the Bond Ordinance.

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

Section 7. Series 2020 A Bond proceeds in the amount of $-0- shall be deposited in the Series 2020 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2020 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2020 A Bonds Reserve Account.

Section 9. Series 2020 B Bond proceeds in the amount specified in the Certificate of Determinations shall be deposited in the Series 2020 B Bonds Sinking Fund as capitalized interest.

Section 10. Series 2020 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2020 B Bonds Reserve Account.

Section 11. Series 2020 A Bond Proceeds in the amount of $2,040,360.22 shall be deposited with First Community Bank to pay the Series 2017 Notes.

Section 12. The balance of the proceeds of the Series 2020 Bonds shall be deposited in or credited to the Series 2020 Bonds Construction Trust Fund for payment of the Costs of the Project, including, without limitation, costs of issuance of the Series 2020 Bonds and related costs.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2020 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2020 A Bonds may be delivered on or about June 4, 2020, to the Authority pursuant to the Loan Agreement and the Series 2020 B Bonds may be delivered on or about June 4, 2020, to the VRA pursuant to the Financing Agreement.

Section 15. The Sanitary Board is hereby authorized to review, approve and request draws from the Series 2020 Bonds.

Section 16. The acquisition and construction of the Project and the financing thereof with proceeds of the Series 2020 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 17. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

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Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 13th day of May, 2020.

THE CITY OF BLUEFIELD

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board of Directors of The City of Bluefield on the 13th day of May, 2020.

Dated: June 4, 2020.

[SEAL]

Bobbi H. Kersey

Clerk

EXHIBIT A
FORM OF CERTIFICATE OF DETERMINATIONS

The City of Bluefield
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

CERTIFICATE OF DETERMINATIONS

The undersigned, Ron Martin, Mayor of The City of Bluefield (the "Issuer"), in accordance with the Supplemental Resolution adopted by the Governing Body of the Issuer on May 13, 2020 (the "Supplemental Resolution"), with respect to the Issuer's Sewer Revenue Bonds, Series 2020 B (the "Series 2020 B Bonds"), hereby finds and determines this 4th day of June, 2020 as follows:

1. Pursuant to the Supplemental Resolution the Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), of the Issuer, originally represented by a single bond, numbered BR-1, in the original aggregate principal amount of $_____. The Series 2020 B Bonds shall be dated the date of delivery thereof, shall finally mature _____ 1, 20___ and shall bear interest at the rate of _____% per annum The principal and interest of the Series 2020 B Bonds shall be payable semi-annually on _____ 1 and _____ 1 of each year commencing _____ 1 to and including _____ 1, 20___, and in the amounts as set forth in the Exhibit A attached hereto and incorporated in and made a part of the Series 2020 B Bonds. The Series 2020 B Bonds shall be subject to redemption upon the written consent of the VRA, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Financing Agreement, so long as the VRA shall be the Registered Owner of the Series 2020 B Bonds. The Issuer does hereby approve and shall pay the VRA Administrative Fee equal to _____% of the principal amount of the Series 2020 B Bonds.

2. Series 2020 B Bond proceeds in the amount of $_____ shall be deposited in the Series 2020 B Bonds Sinking Fund as capitalized interest.

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The undersigned hereby certifies that the foregoing terms and conditions of the Series 2020 B Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2020 B Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

The City of Bluefield
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

CERTIFICATE OF DETERMINATIONS

The undersigned, Ron Martin, Mayor of The City of Bluefield (the "Issuer"), in accordance with the Supplemental Resolution adopted by the Governing Body of the Issuer on May 13, 2020 (the "Supplemental Resolution"), with respect to the Issuer's Sewer Revenue Bonds, Series 2020 B (the "Series 2020 B Bonds"), hereby finds and determines this 4th day of June, 2020 as follows:

1. Pursuant to the Supplemental Resolution the Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), of the Issuer, originally represented by a single bond, numbered BR-1, in the original aggregate principal amount of $10,744,800. The Series 2020 B Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2041 and shall bear interest at the rate of 0.95% per annum with an interest only payment due on June 1, 2022 and thereafter the principal and interest of the Series 2020 B Bonds shall be payable semi-annually on June 1 and December 1 of each year commencing December 1, 2022 to and including December 1, 2041, and in the amounts as set forth in the Exhibit A attached hereto and incorporated in and made a part of the Series 2020 B Bonds. The Series 2020 B Bonds shall be subject to redemption upon the written consent of the VRA, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Financing Agreement, so long as the VRA shall be the Registered Owner of the Series 2020 B Bonds. The Issuer does hereby approve and shall pay the VRA Administrative Fee equal to 0.20% of the principal amount of the Series 2020 B Bonds.

2. Series 2020 B Bond proceeds in the amount of $-0- shall be deposited in the Series 2020 B Bonds Sinking Fund as capitalized interest.

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The undersigned hereby certifies that the foregoing terms and conditions of the Series 2020 B Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2020 B Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

SRF-LP-1
(11/18)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

THE CITY OF BLUEFIELD
(2018S-1769 / C-544462)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I
Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto, who was selected pursuant to Article 1, Chapter 5G of the Code of West Virginia of 1931, as amended.

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased

for this purpose, on off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

1.4 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.6 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

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

1.8 "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.

1.9 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.10 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.11 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.12 "System" means the wastewater treatment facility owned by the Local Government, 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.

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

ARTICLE II
The Project and the System

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

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government 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 Local Government 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 Local Government, 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 DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective 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 Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project, in accordance with generally accepted governmental accounting standards. The Local Government shall permit the Authority and DEP, acting by and through their Directors or 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 Local Government shall submit to the Authority and DEP 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 Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government 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 Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Government 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 DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) 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 Local Government, 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 Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP 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, DEP and the Local Government 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. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to

the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Loan Agreement.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP 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 Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 20th of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.14 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III
Conditions to Loan;
Issuance of Local Bonds

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

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

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

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

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

(f) The Local Government 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 and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on

a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP 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 and DEP, including the SRF Regulations, 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 Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing."

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

3.7 The Local Government shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Water Resources Reform and Development Act of 2014 (WRRDA) and related SRF Policy Guidelines issued by the EPA) which the Local Government understands includes, among other things, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Local Government has requested and obtained a waiver from the EPA pertaining to the Project or (ii) DEP has otherwise advised the Local Government in writing that the American Iron and Steel Requirement is not applicable to the Project.

3.8 The Local Government shall comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or DEP such as performance indicators of program deliverables, information on costs and Project progress. The Local Government understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has

been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

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

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

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien

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

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

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited in accordance with 2 CFR 200 Subpart F (or any successor thereto) or the laws of the State by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, 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 Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

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

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP 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;

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

(xxi) That the Local Government shall submit all proposed change orders to the DEP for approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government 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 Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least two percent (2%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such

administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V
Certain Covenants of the Local Government; Imposition and Collection of User Charges; Payments To Be Made by Local Government to the Authority

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

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

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

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI
Other Agreements of the
Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project.

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

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable

from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII
Miscellaneous

7.1 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 Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP; or

(ii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

[The remainder of this page intentionally left blank]

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.

THE CITY OF BLUEFIELD

(SEAL)

By: _____
Its: Mayor
Date: June 4, 2020

Attest:

_____
Its: Recorder

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Acting Director
Date: June 4, 2020

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: June 4, 2020

Attest:

_____
Its: Authorized Officer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government
Name of Bond Issue(s)_____
Type of Project _____ **Water**_____ **Wastewater**
Fiscal Year _____ **Report Month**_____

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

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

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

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

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

reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve _____ new customers in the _____ area as approved by the Infrastructure Council without substitution.

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

By _____
West Virginia License No.

[SEAL]

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

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. FISCAL SUSTAINABILITY – The Local Government shall submit an acceptable fiscal sustainability plan that complied with Section 603(d)(1)(E) of the Clean Water Act to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

C. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

D. CLOSING REQUIREMENTS – Closing of the Bonds is conditioned upon the DEP's receipt of an acceptable Final CPA Certificate.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$	
Principal		$
Total:		$
Reserve Account:		$

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), 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"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated ____, ____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning ____ 1, ____, and ending ____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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

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

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

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

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

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

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

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

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

6. Under the Act, the Local Bonds and any interest thereon are exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Local Bonds

Principal Amount of Local Bonds	$3,066,273
Purchase Price of Local Bonds	$3,066,273

The Local Bonds shall bear interest at a rate of 2.75% per annum. Commencing December 1, 2022, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.25%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government:

(i) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645;

(ii) Sewerage System Revenue Bonds, Series 2000 A, dated July 13, 2000, issued in the original aggregate principal amount of $307,000;

(iii) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated January 28, 2010, issued the original aggregate principal amount of $2,883,295; and

(iv) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $1,358,924.

New Customers:	n/a
Location:	Westside Wastewater Treatment Plant, The City of Bluefield, Mercer County, West Virginia

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service
City of Bluefield
SRF
$3,066,273
2.75% Interest Rate
0.25% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
12/1/2022	33,646	21,080.63	54,726.63	1,049.08	55,775.71
3/1/2023	33,877	20,849.31	54,726.31	1,049.08	55,775.39
6/1/2023	34,110	20,616.41	54,726.41	1,049.08	55,775.49
9/1/2023	34,345	20,381.90	54,726.90	1,049.08	55,775.98
12/1/2023	34,581	20,145.78	54,726.78	1,049.08	55,775.86
3/1/2024	34,819	19,908.03	54,727.03	1,049.08	55,776.11
6/1/2024	35,058	19,668.65	54,726.65	1,049.08	55,775.73
9/1/2024	35,299	19,427.63	54,726.63	1,049.08	55,775.71
12/1/2024	35,542	19,184.95	54,726.95	1,049.08	55,776.03
3/1/2025	35,786	18,940.60	54,726.60	1,049.08	55,775.68
6/1/2025	36,032	18,694.57	54,726.57	1,049.08	55,775.65
9/1/2025	36,280	18,446.85	54,726.85	1,049.08	55,775.93
12/1/2025	36,529	18,197.42	54,726.42	1,049.08	55,775.50
3/1/2026	36,780	17,946.29	54,726.29	1,049.08	55,775.37
6/1/2026	37,033	17,693.42	54,726.42	1,049.08	55,775.50
9/1/2026	37,288	17,438.82	54,726.82	1,049.08	55,775.90
12/1/2026	37,544	17,182.47	54,726.47	1,049.08	55,775.55
3/1/2027	37,802	16,924.35	54,726.35	1,049.08	55,775.43
6/1/2027	38,062	16,664.46	54,726.46	1,049.08	55,775.54
9/1/2027	38,324	16,402.79	54,726.79	1,049.08	55,775.87
12/1/2027	38,587	16,139.31	54,726.31	1,049.08	55,775.39
3/1/2028	38,853	15,874.02	54,727.02	1,049.08	55,776.10
6/1/2028	39,120	15,606.91	54,726.91	1,049.08	55,775.99
9/1/2028	39,389	15,337.96	54,726.96	1,049.08	55,776.04
12/1/2028	39,660	15,067.16	54,727.16	1,049.08	55,776.24
3/1/2029	39,932	14,794.50	54,726.50	1,049.08	55,775.58
6/1/2029	40,207	14,519.97	54,726.97	1,049.08	55,776.05
9/1/2029	40,483	14,243.54	54,726.54	1,049.08	55,775.62
12/1/2029	40,762	13,965.22	54,727.22	1,049.08	55,776.30
3/1/2030	41,042	13,684.98	54,726.98	1,049.08	55,776.06
6/1/2030	41,324	13,402.82	54,726.82	1,049.08	55,775.90
9/1/2030	41,608	13,118.72	54,726.72	1,049.08	55,775.80
12/1/2030	41,894	12,832.66	54,726.66	1,049.08	55,775.74
3/1/2031	42,182	12,544.64	54,726.64	1,049.08	55,775.72
6/1/2031	42,472	12,254.64	54,726.64	1,049.08	55,775.72
9/1/2031	42,764	11,962.64	54,726.64	1,049.08	55,775.72
12/1/2031	43,058	11,668.64	54,726.64	1,049.08	55,775.72
3/1/2032	43,354	11,372.62	54,726.62	1,049.08	55,775.70
6/1/2032	43,652	11,074.56	54,726.56	1,049.08	55,775.64
9/1/2032	43,952	10,774.45	54,726.45	1,049.08	55,775.53
12/1/2032	44,255	10,472.28	54,727.28	1,049.08	55,776.36
3/1/2033	44,559	10,168.03	54,727.03	1,049.08	55,776.11
6/1/2033	44,865	9,861.69	54,726.69	1,049.08	55,775.77
9/1/2033	45,174	9,553.24	54,727.24	1,049.08	55,776.32
12/1/2033	45,484	9,242.67	54,726.67	1,049.08	55,775.75
3/1/2034	45,797	8,929.97	54,726.97	1,049.08	55,776.05
6/1/2034	46,112	8,615.11	54,727.11	1,049.08	55,776.19

May 6, 2020 11:47 am Prepared by Piper Sandler (WDA:LOANS-BLUE120) 3

Net Debt Service
City of Bluefield
SRF
$3,066,273
2.75% Interest Rate
0.25% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2034	46,429	8,298.09	54,727.09	1,049.08	55,776.17
12/1/2034	46,748	7,978.89	54,726.89	1,049.08	55,775.97
3/1/2035	47,069	7,657.50	54,726.50	1,049.08	55,775.58
6/1/2035	47,393	7,333.90	54,726.90	1,049.08	55,775.98
9/1/2035	47,719	7,008.07	54,727.07	1,049.08	55,776.15
12/1/2035	48,047	6,680.00	54,727.00	1,049.08	55,776.08
3/1/2036	48,377	6,349.68	54,726.68	1,049.08	55,775.76
6/1/2036	48,710	6,017.09	54,727.09	1,049.08	55,776.17
9/1/2036	49,045	5,682.21	54,727.21	1,049.08	55,776.29
12/1/2036	49,382	5,345.02	54,727.02	1,049.08	55,776.10
3/1/2037	49,721	5,005.52	54,726.52	1,049.08	55,775.60
6/1/2037	50,063	4,663.69	54,726.69	1,049.08	55,775.77
9/1/2037	50,407	4,319.51	54,726.51	1,049.08	55,775.59
12/1/2037	50,754	3,972.96	54,726.96	1,049.08	55,776.04
3/1/2038	51,103	3,624.03	54,727.03	1,049.08	55,776.11
6/1/2038	51,454	3,272.69	54,726.69	1,049.08	55,775.77
9/1/2038	51,808	2,918.95	54,726.95	1,049.08	55,776.03
12/1/2038	52,164	2,562.77	54,726.77	1,049.08	55,775.85
3/1/2039	52,523	2,204.14	54,727.14	1,049.08	55,776.22
6/1/2039	52,884	1,843.04	54,727.04	1,049.08	55,776.12
9/1/2039	53,247	1,479.47	54,726.47	1,049.08	55,775.55
12/1/2039	53,613	1,113.39	54,726.39	1,049.08	55,775.47
3/1/2040	53,982	744.80	54,726.80	1,049.08	55,775.88
6/1/2040	54,353	373.68	54,726.68	1,048.74	55,775.42
	3,066,273	819,327.37	3,885,600.37	74,484.34	3,960,084.71

The quarterly administration fee is calculated based on 0.25% of the loan payments and will be $1,049.08, with a final payment of $1,048.74, to total $74,484.34.

May 6, 2020 11:47 am Prepared by Piper Sandler (WDA:LOANS-BLUE120) 4

Rev. 11/22/19

SRF PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:
NAME: City of Bluefield
ADDRESS: 200 Rogers Street
Bluefield WV, 24701
FEIN: 55-6000149
DUNS: 927048140

2. INVOICE #: C-54446220201

3. REQUEST NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)
FROM: (MO/DAY/YR) 5/31/2016
TO: (MO/DAY/YR) 5/13/2020

5. % of PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY SRF
1) CONSTRUCTION					
2) EQUIPMENT					
3) ENGINEERING a. Planning	$ 22,500		$ 22,500	22,500	22,500
b. Design	$ 88,433		$ 88,433	88,433	88,433
c. Construction Basic	$ 232,143		$ 39,465	39,465	39,465
d. Special Services	$ 63,616		$ 4,200	4,200	4,200
e. Inspection	$ 321,656				
4) LEGAL	$ 39,445		$ 5,750	5,750	5,750
5) ACCOUNTING	$ 4,965		$ 2,448	2,448	2,448
6) ADMINISTRATIVE	$ 80,000		$ 11,745	11,745	11,745
7) CONTINGENCY	$ 147,453				
8) LOAN REPAYMENT	$ 2,040,360		$ 2,040,360	2,040,360	2,040,360
9) RESERVE FUND					
10) CLOSING COSTS	$ 25,500		$ 25,500	25,500	25,500
11) SUBTOTAL	$ 3,066,273	$ -	$ 2,240,401	$2,240,401	2,240,401
12) LESS PREVIOUSLY PAID				$ -0-	-0-
13) REQUEST AMOUNT				$ -	2,240,401

14) [signature] May 13, 2020
AUTHORIZED SIGNATURE DATE
Ron Martin, City of Bluefield Mayor
TYPED OR PRINTED NAME AND TITLE

15) [signature] May 13, 2020
PERSON PREPARING FORM SIGNATURE DATE
Lori Shrewsbury, Financial Assistant
TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY:
John Rogers 5/15/2020
PROJECT REVIEWER DATE
John Rogers
TYPED OR PRINTED NAME

WV DEPARTMENT OF ENVIRONMENTAL PROTECTION
John P. Giroir 5/21/2020
AUTHORIZED OFFICER DATE
John P. Giroir
TYPED OR PRINTED NAME

Execution Version

FINANCING AGREEMENT

dated as of June 4, 2020

BETWEEN

VIRGINIA RESOURCES AUTHORITY,

as Administrator of the
Virginia Water Facilities Revolving Fund

AND

THE CITY OF BLUEFIELD, WEST VIRGINIA

Virginia Resources Authority
Virginia Water Facilities Revolving Fund

Loan No. C-515632-02

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Exhibit H - Form of Budget

FINANCING AGREEMENT

THIS FINANCING AGREEMENT is made as of this fourth day of June, 2020, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Authority"), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND**, and **THE CITY OF BLUEFIELD, WEST VIRGINIA**, a municipal corporation and political subdivision of the State of West Virginia (the "Borrower").

Pursuant to Chapter 22, Title 62.1 of the Code of Virginia (1950), as amended (the "Act"), the General Assembly created a permanent and perpetual fund known as the "Virginia Water Facilities Revolving Fund" (the "Fund"). In conjunction with the State Water Control Board, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments, including any authority, commission, district, sanitary board or governmental entity issuing bonds on behalf of an authority, commission, district or sanitary board of an adjoining state that operates a wastewater treatment facility located in Virginia to finance or refinance the costs of wastewater treatment facilities within the meaning of Section 62.1-224 of the Act.

The Borrower has requested a loan from the Fund and will evidence its obligation to repay such loan by the Local Bond the Borrower will issue and sell to the Authority, as Administrator of the Fund. The Borrower will use the proceeds of the sale of the Local Bond to the Authority to finance that portion of the Project Costs not being paid from other sources, all as further set forth in the Project Budget.

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. The capitalized terms contained in this Agreement and not defined above shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

"Additional Payments" means the payments required by Section 6.2.

"Agreement" means this Financing Agreement between the Authority and the Borrower, together with any amendments or supplements hereto.

"Annual Administrative Fee" means the portion of the Cost of Funds specified in Section 6.1(a)(ii) payable as an annual fee for administrative and management services attributable to the Local Bond.

"Authorized Representative" means any member, official or employee of the Borrower authorized by resolution, ordinance or other official act of the governing body of the Borrower to perform the act or sign the document in question.

"Board" means the State Water Control Board.

"Closing Date" means the date of the delivery of the Local Bond to the Authority, as Administrator of the Fund.

"Commitment Letter" means the commitment letter from the Authority to the Borrower, dated July 3, 2019, and all extensions and amendments thereto.

"Consulting Engineer" means the engineer or the firm of independent consulting engineers of recognized standing and experienced in the field of sanitary engineering and registered to do business in the Commonwealth of Virginia and the State of West Virginia which is designated by the Borrower from time to time as the Borrower's consulting engineer in accordance with Section 4.5 in a written notice to the Authority. Such individual or firm shall be subject to the reasonable approval of the Authority. Unless and until the Authority notifies the Borrower otherwise, any of the Borrower's employees that are licensed and registered as professional engineers in the Commonwealth of Virginia and the State of West Virginia may serve as Consulting Engineer under this Agreement.

"Cost of Funds" means interest, including the part thereof allocable to the Annual Administrative Fee, payable as set forth in Section 6.1.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Department" means the Virginia Department of Environmental Quality, created and acting under Chapter 11.1, Title 10.1, of the Code of Virginia, as amended.

"Event of Default" shall have the meaning set forth in Section 11.1.

"Existing Parity Bonds" means any of the Borrower's bonds, notes or other evidences of indebtedness, as further described on Exhibit F, that on the date of the Local Bond's issuance and delivery were secured by or payable from a pledge of Net Revenues on a parity with the pledge of Net Revenues securing the Local Bond.

"Fiscal Year" means the period of twelve months established by the Borrower as its annual accounting period.

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Borrower, or accrued to the Borrower or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the

System and all parts thereof, all as calculated in accordance with sound accounting practices.

"Local Bond" means the bond in substantially the form attached to this Financing Agreement as Exhibit A issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to this Agreement.

"Local Bond Proceeds" means the proceeds of the sale of the Local Bond to the Authority, as Administrator of the Fund, pursuant to this Agreement.

"Local Resolution" means all resolutions or ordinances adopted by the governing body of the Borrower approving the transactions contemplated by and authorizing the execution and delivery of this Agreement and the execution, issuance and delivery of the Local Bond.

"Net Proceeds" means the gross proceeds from any insurance recovery or condemnation award remaining after payment of attorneys' fees and expenses of the Authority and all other expenses incurred in the collection of such gross proceeds.

"Net Revenues" means the Gross Revenues less amounts necessary to pay Operation and Maintenance Expense.

"Operation and Maintenance Expense" means the costs of operating and maintaining the System determined pursuant to generally accepted accounting principles, exclusive of (i) interest on any debt secured by or payable from Net Revenues, (ii) depreciation and any other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring annually or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

"Opinion of Counsel" means a written opinion of recognized bond counsel, acceptable to the Authority.

"Parity Bonds" means bonds, notes or other evidences of indebtedness of the Borrower issued under Section 10.5.

"Project" means the particular project described in Exhibit B, the costs of the construction, acquisition or equipping of which are to be financed or refinanced in whole or in part with the Local Bond Proceeds.

"Project Budget" means the budget for the financing or the refinancing of the Project, a copy of which is attached to this Agreement as Exhibit C, with such changes therein as may be approved in writing by the Authority.

"Project Costs" means the costs of the construction, acquisition, equipping and/or undertaking of the Project, as further described in the Project Budget, and such other costs as may be approved in writing by the Authority; provided, such costs are permitted by the Act.

"Qualified Independent Consultant" shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation a Consulting Engineer, so long as such individual is not an employee of the Borrower, and an independent certified public accountant or firm of independent certified public accountants. Such individual or firm shall be subject to the reasonable approval of the Authority.

"Qualified Investments" means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State of West Virginia pursuant to the applicable laws of the State of West Virginia, 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.

"Rate Covenant" shall have the meaning set forth in Section 5.1(b).

"Required Reserve" means an amount that equals maximum annual debt service due on the Local Bond ($616,681.24).

"Reserve Account" means the reserve account established in Section 6.1(c).

"Subordinate Bonds" means bonds, notes or other evidences of indebtedness of the Borrower secured by or payable from a pledge of Net Revenues expressly made subordinate to the pledge of Net Revenues securing the payment of the Local Bond.

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

Section 1.2. Rules of Construction. The following rules shall apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) All references in this Agreement to particular Sections or Exhibits are references to Sections or Exhibits of this Agreement unless otherwise indicated.

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II
REPRESENTATIONS

Section 2.1. Representations by Borrower. The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly created and validly existing "local government" of the State of West Virginia and is vested with the rights and powers conferred upon it by West Virginia law, and the Borrower operates a wastewater treatment facility located in the Commonwealth of Virginia (as set forth in Section 62.1-224 of the Act).

(b) The Borrower has full right, power and authority to (i) adopt the Local Resolution and execute and deliver this Agreement and the other documents related thereto, (ii) issue, sell and deliver the Local Bond to the Authority, as Administrator of the Fund, (iii) own and operate the System, (iv) fix, charge and collect charges for the use of and for the services furnished by the System, (v) construct, acquire, equip and/or undertake the Project (as described in Exhibit B) and finance or refinance the Project Costs by borrowing money for such purpose pursuant to this Agreement and the issuance of the Local Bond, (vi) pledge the Net Revenues of the System to the payment of the Local Bond, and (vii) carry out and consummate all of the transactions contemplated by the Local Resolution, this Agreement and the Local Bond.

(c) This Agreement and the Local Bond were duly authorized by the Local Resolution and are in substantially the same form as presented to the governing body of the Borrower at its meeting at which the Local Resolution was adopted.

(d) All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of the delivery of this Agreement have been obtained for (i) the Borrower's adoption of the Local Resolution, (ii) the execution and delivery by the Borrower of this Agreement and the Local Bond, (iii) the performance and enforcement of the obligations of the Borrower thereunder, (iv) the acquisition, construction, equipping, occupation, operation, use and/or undertaking of the Project, and (v) the operation and use of the System. The Borrower knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations and approvals not obtained as of the date hereof cannot be obtained as needed.

(e) This Agreement has been executed and delivered by duly authorized officials of the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(f) When executed and delivered in accordance with the Local Resolution and this Agreement, the Local Bond will have been executed and delivered by duly authorized

officials of the Borrower and will constitute a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(g) The issuance of the Local Bond and the execution and delivery of this Agreement and the performance by the Borrower of its obligations thereunder are within the powers of the Borrower and will not conflict with, or constitute a breach or result in a violation of, (i) to the best of the Borrower's knowledge, any Federal, or West Virginia constitutional or statutory provision, including the Borrower's charter or articles of incorporation, (ii) any agreement or other instrument to which the Borrower is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

(h) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Borrower (i) to the best of the Borrower's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement or the Local Bond and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement or the Local Bond. The execution and delivery by the Borrower of this Agreement or the Local Bond and the compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) There are not pending nor, to the best of the Borrower's knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Resolution, this Agreement or the Local Bond or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Resolution, this Agreement, the Local Bond or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Resolution, this Agreement or the Local Bond, (v) in any way affecting or contesting the undertaking of the Project, or (vi) contesting or challenging the power of the Borrower to pledge the Net Revenues to the payment of the Local Bond.

(k) There have been no defaults by any contractor or subcontractor under any contract made by the Borrower in connection with the construction or equipping of the Project.

(l) No material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, applications and other information furnished to the Authority.

(m) Except as may otherwise be approved by the Authority or permitted by the terms of this Agreement, the System at all times is and will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(n) There is no indebtedness of the Borrower secured by or payable from a pledge of Net Revenues on a parity with or prior to the lien of the pledge of Net Revenues securing the Local Bond except the Existing Parity Bonds set forth on Exhibit F.

(o) No Event of Default or Default has occurred and is continuing.

ARTICLE III
ISSUANCE AND DELIVERY OF THE LOCAL BOND

Section 3.1. Loan to Borrower and Purchase of the Local Bond. The Borrower agrees to borrow from the Authority, and the Authority agrees to lend to the Borrower, from the Fund, the principal amount equal to the sum of the principal disbursements made pursuant to Section 4.1, but not to exceed $10,744,800, for the purposes herein set forth. The Borrower's obligation shall be evidenced by the Local Bond, which shall be in substantially the form of Exhibit A attached hereto and made a part hereof and delivered to the Authority on the Closing Date. The Local Bond shall be in the original principal amount of the loan and shall mature, bear a Cost of Funds and be payable as hereinafter provided.

Section 3.2. Conditions Precedent to Purchase of the Local Bond. The Authority shall not be required to make the loan to the Borrower and purchase the Local Bond unless the Authority shall have received the following, all in form and substance satisfactory to the Authority:

(a) The Local Bond.

(b) A certified copy of the Local Resolution.

(c) A certificate of appropriate officials of the Borrower as to the matters set forth in Section 2.1 and such other matters as the Authority may reasonably require.

(d) A closing certificate from the Department certifying that the Project is in compliance with all federal and state laws and project requirements applicable to the Fund and evidencing the Board's concurrence in the closing of the loan with the Borrower.

(e) A certificate of the Consulting Engineer estimating the total Project Costs to be financed with the Local Bond Proceeds, which estimate is in an amount and otherwise compatible with the financing plan described in the Project Budget.

(f) A certificate of the Consulting Engineer to the effect that in the opinion of the Consulting Engineer (i) the Project will be a part of the System, and (ii) the Local Bond Proceeds and funds available from the other sources specified in the Project Budget will be sufficient to pay the estimated Project Costs.

(g) A certificate, including supporting documentation, of a Qualified Independent Consultant that in the opinion of the Qualified Independent Consultant, during the first two complete Fiscal Years of the Borrower following completion of the Project, the projected Net Revenues will satisfy the Rate Covenant. In providing this certificate, the Qualified Independent Consultant may take into consideration (i) future System rate increases; provided, that such rate increases have been duly approved by the governing body of the Borrower and any other person or entity required to give approval for the rate increase to become effective and (ii) additional future revenues to be derived under existing contractual arrangements entered into by the Borrower and from reasonable estimates of growth in the consumer base of the Borrower.

(h) A certificate of the Consulting Engineer as to the date the Borrower is expected to complete the acquisition, construction, equipping and/or undertaking of the Project.

(i) Evidence satisfactory to the Authority that all governmental permits, licenses, registrations, certificates, authorizations and approvals for the Project required to have been obtained as of the date of the delivery of this Agreement have been obtained and a statement of the Consulting Engineer that he knows of no reason why any future required governmental permits, licenses, registrations, certificates, authorizations and approvals cannot be obtained as needed.

(j) Evidence satisfactory to the Authority that the Borrower has obtained or has made arrangements satisfactory to the Authority to obtain any funds or other financing for the Project as contemplated in the Project Budget.

(k) Evidence satisfactory to the Authority that the Borrower has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(l) An Opinion of Bond Counsel, substantially in the form of Exhibit D, addressed to the Fund and the Authority.

(m) An opinion of counsel to the Borrower in form and substance reasonably satisfactory to the Authority.

(n) Evidence satisfactory to the Authority that the Borrower has complied with the insurance provisions set forth in Sections 9.1 and 9.2 hereof.

(o) Evidence that the Borrower has satisfied all conditions precedent to the issuance of the Local Bond as a "Parity Bond" under the financing agreements for the Existing Parity Bonds.

(p) Deposit into the Reserve Account the Initial Required Reserve from the Borrower's available funds.

(q) Such other documentation, certificates and opinions as the Authority, the Board or the Department may reasonably require.

ARTICLE IV
USE OF LOCAL BOND PROCEEDS AND CONSTRUCTION OF PROJECT

Section 4.1. Application of Proceeds.

(a) The Borrower agrees to apply the Local Bond Proceeds solely and exclusively to the payment, or to the reimbursement of the Borrower for the payment, of Project Costs and further agrees to exhibit to the Department or the Authority receipts, vouchers, statements, bills of sale or other evidence of the actual payment of such Project Costs. The Authority shall disburse money from the Fund to or for the account of the Borrower not more frequently than once each calendar month (unless otherwise agreed by the Authority and the Borrower) upon receipt by the Authority (with a copy to be furnished to the Department) of the following:

(1) A requisition (upon which the Authority, the Board and the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, Exhibit E to this Agreement;

(2) If any requisition includes an item for payment for labor or to contractors, builders or materialmen,

(i) a certificate, signed by the Consulting Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and

(ii) a certificate, signed by an Authorized Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates and approval thereof by the Department, the Authority shall disburse Local Bond Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Department and shall note the date and amount of each such disbursement on a schedule of principal disbursements to be included on the Local Bond. The Authority shall have no obligation to disburse any such Local Bond Proceeds if the Borrower is in default hereunder nor shall the Department have any obligation to approve any requisition if the Borrower is not in compliance with the terms of this Agreement.

(b) The Borrower shall comply with all applicable laws of the State of West Virginia, regarding the awarding and performance of public construction contracts related to the Project. Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the maximum authorized amount of the Local Bond to ensure satisfactory completion of the Project. Disbursements of Local Bond Proceeds shall also be held if the Borrower does not timely provide a draft Fiscal Sustainability Plan and final Fiscal Sustainability Plan to the Department as set forth in Section 10.12 herein. Upon receipt from the Borrower of the certificate specified in Section 4.2 and a final requisition detailing all retainages to which the Borrower is then entitled, the Authority, to the extent approved by the Department and subject to the provisions of this Section and Section 4.2, will disburse to or for the account of the Borrower Local Bond Proceeds to the extent of such approval.

The Authority shall have no obligation to disburse Local Bond Proceeds in excess of the amount necessary to pay for approved Project Costs. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, principal installments due on the Local Bond shall be reduced only in accordance with Section 6.1.

Section 4.2. Agreement to Accomplish Project. The Borrower agrees to cause the Project to be acquired, constructed, expanded, renovated or equipped as described in Exhibit B and in accordance with the Project Budget and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Department. The Borrower shall use its best efforts to complete the Project by the date set forth in the certificate provided to the Authority pursuant to Section 3.2(h). All plans, specifications and designs shall be approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the Project Costs and permit the Authority and the Department through their duly authorized representatives to inspect such books and records at any reasonable time. The Borrower and the Authority, with the consent of the Department, may amend the description of the Project set forth in Exhibit B.

When the Project has been completed, the Borrower shall promptly deliver to the Authority and the Department a certificate signed by an Authorized Representative of the Borrower and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Department, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all

certificates of occupancy or other material permits necessary for the Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of Project Costs.

Section 4.3. Permits. The Borrower, at its sole cost and expense, shall comply with, and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Project. The Borrower shall, upon request, promptly furnish to the Authority and the Department copies of all such permits, consents and approvals. The Borrower shall also comply with all applicable lawful program or procedural guidelines or requirements duly promulgated and amended from time to time by the Department in connection with the acquisition, construction, equipping, occupation, operation or use of projects financed from the Fund under the Act, including, but not limited to, those pertaining to the adoption of any requisite sewer use. The Borrower shall also comply in all respects with all applicable federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof from the Fund. Where noncompliance with such requirements is determined by the Authority or the Department, the issue shall be referred to the proper governmental authority or agency for consultation or enforcement action.

Section 4.4. Construction Contractors. Each construction contractor employed in the accomplishment of the Project shall be required in the construction contract to furnish a performance bond and a payment bond each in an amount equal to one hundred percent (100%) of the particular contract price. Such bonds shall list the Borrower, the Fund, the Authority, the Department and the Board as beneficiaries. Each contractor shall be required to maintain during the construction period covered by the particular construction contract builder's risk insurance, workers' compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Consulting Engineer. Upon request of the Authority, the Department or the Board, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Authority, the Department and the Board.

Section 4.5. Engineering Services. The Borrower shall retain a Consulting Engineer to provide engineering services covering the operation of the System and the supervision and inspection of the construction of the Project. The Borrower shall provide written notice to the Authority of the designation of such Consulting Engineer. The Consulting Engineer shall certify to the Authority and the Department as to the various stages of the completion of the Project as disbursements of Local Bond Proceeds are requested and shall upon completion of the Project provide to the Authority and the Department the certificates required by Sections 4.1 and 4.2.

Section 4.6. Borrower Required to Complete Project. If the Local Bond Proceeds are not sufficient to pay in full the cost of the Project, the Borrower will complete the Project at its own expense and shall not be entitled to any reimbursement therefor from the Fund, the Authority, the Department or the Board or any abatement, diminution or postponement of the Borrower's payments under the Local Bond or this Agreement.

ARTICLE V
PLEDGE, REVENUES AND RATES

Section 5.1. Pledge of Net Revenues; Rate Covenant. Subject to the Borrower's right to apply Gross Revenues to the payment of Operation and Maintenance Expense, the Net Revenues are hereby pledged to the Authority, as Administrator of the Fund, to secure the payment of the principal of and Cost of Funds on the Local Bond and the payment and performance of the Borrower's obligations under this Agreement. This pledge shall be valid and binding from and after the execution and delivery of this Agreement. The Net Revenues, as received by the Borrower, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. The lien of this pledge of the Net Revenues is on a parity with the lien of the pledge securing the Existing Parity Bonds. The lien of this pledge shall, subject to the right of the Borrower to apply Gross Revenues to the payment of Operation and Maintenance Expense, have priority over all other obligations and liabilities of the Borrower, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Borrower regardless of whether such parties have notice of this pledge.

(a) The Borrower covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums in compliance with this Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2020 Bonds shall prove to be insufficient to produce the amounts required by this Agreement, the Borrower hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Agreement.

(b) Prior to the issuance of the Local Bond, 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 Clerk of the Borrower, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operation and Maintenance Expense and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of the Rate Covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Borrower

covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operations and Maintenance Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Local Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Local Bond including the Existing Parity Bonds; provided that, in the event that, an amount equal to or in excess of the Required Reserve is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Local Bond are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Local Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Local Bond (the "Rate Covenant").

(c) On or before the last day of each Fiscal Year, the Borrower shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the Borrower's rates, fees and other charges are insufficient to satisfy the Rate Covenant, the Borrower shall promptly take appropriate action to increase its rates, fees and other charges or reduce its Operations and Maintenance Expense to cure any deficiency.

Section 5.2. Annual Budget. The Borrower shall annually prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof. The Borrower may at any time during any Fiscal Year amend the Annual Budget for such Fiscal Year so long as such amendment does not result in a Default. The Borrower shall submit a copy of the Annual Budget and any amendments thereto to the Authority.

Section 5.3. Qualified Independent Consultant's Report. (a) If at the end of any Fiscal Year, the Borrower is not in compliance with the Rate Covenant, within two hundred ten (210) days after the end of such Fiscal Year, the Borrower shall obtain a report from the Qualified Independent Consultant giving advice and making recommendations as to the proper maintenance, repair, replacement and operation of the System for the next ensuing Fiscal Year and estimating the costs thereof as to the rates, fees, and other charges which should be established by the Borrower to satisfy the Rate Covenant. The Borrower shall promptly furnish a copy of such report to the Authority and, subject to Section 5.3(b), take measures to implement the recommendations of the Qualified Independent Consultant within ninety (90) days of obtaining such report.

(b) If the Borrower determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Borrower may in lieu thereof adopt other procedures which the Borrower believes will bring it into compliance with the Rate Covenant when such measures have been implemented and become fully effective. Such alternative plan shall be filed with the Authority not later than thirty (30) days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Borrower's reason for

rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, the Authority reserves the right, in its sole discretion, to reject such alternate procedures and require the Borrower to comply with the Qualified Independent Consultant's recommendations.

ARTICLE VI
PAYMENTS

Section 6.1. Payment of Local Bond. (a) The Local Bond shall be dated the date of its delivery to the Authority. The Cost of Funds on the Local Bond shall be computed on the disbursed principal balance thereof from the date of each disbursement at the rate of one and fifteen one-hundredths percent (1.15%) per annum, consisting of the following:

(i) interest of ninety-five one-hundredths percent (0.95%) per annum payable for the benefit of the Fund, and

(ii) twenty one-hundredths percent (0.20%) per annum payable as an Annual Administrative Fee.

(b) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on June 1, 2022. Commencing December 1, 2022 and continuing semi-annually thereafter on June 1 and December 1 in each year, principal and Cost of Funds due under the Local Bond shall be payable in equal installments of $308,340.62 with a final installment of $308,340.55 due and payable on December 1, 2041, when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Commencing June 1, 2022 and continuing on the first day of each month thereafter, the Borrower agrees to deposit in a sinking fund payments equal to 1/6th of the next payment of principal and Cost of Funds due on the Local Bond. Each installment shall be applied first to payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local Bond, or change the amount of such installment. If any installment of principal of or Cost of Funds on the Local Bond is not paid within ten (10) days after its due date, the Borrower agrees to pay to the Authority a late payment charge in an amount equal to five percent (5.0%) of the overdue installment.

(c) There is hereby established "The City of Bluefield Series 2020 B Reserve Account" (the "Reserve Account") to be held at the West Virginia Municipal Bond Commission for the benefit of the Authority, which is hereby pledged as security for payment of principal of and Cost of Funds on the Local Bond. Until the principal of and Cost of Funds on the Local

Bond and all amounts payable pursuant to this Agreement have been paid or provided for in full, the Borrower agrees to deposit in the Reserve Account the following amounts on the dates provided for below:

(i) On the Closing Date, the amount of $0 (the "Initial Required Reserve").

(ii) Commencing May 1, 2022 and continuing on the first day of each month thereafter, if not fully funded upon issuance of the Local Bond, an amount equal to 1/120th of the Required Reserve; provided, that no further payments shall be made into the Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Required Reserve. The Reserve Account shall be fully funded with the Required Reserve not later than June 1, 2032.

(iii) With respect to any deficiency in the Required Reserve on any June 1 or December 1 (either referred to herein as the "Payment Date"), commencing with the first day of the month following such Payment Date and continuing on the first day of each month thereafter until the deficiency is eliminated, an amount equal to one-sixth of the amount of such deficiency.

(iv) Failure to deposit the Required Reserve under subsection 6.1(c)(i) or 6,1(c)(ii) above or failure to replenish any deficiency in the Reserve Account under subsection 6.1(c)(iii) above in the time specified shall constitute an Event of Default under Section 11.1. The Authority shall have no obligation to disburse any Local Bond Proceeds if the Borrower has not satisfied the provisions contained in this subsection.

(d) There is hereby created, and the Borrower hereby grants, a security interest in the Reserve Account for the benefit of the Authority, as holder of the Local Bond, and its successors and assigns. This Agreement shall be deemed to be a security agreement with respect to such security interest. Without the written consent of the Authority, amounts in the Reserve Account may be used only to make payments on the principal of and Cost of Funds the Local Bond to the extent the Borrower has not made timely payments thereunder (whether payment due semi-annually, at maturity or by acceleration), and the Authority (or the holder of the Local Bond if not then the Authority) may require the Borrower to transfer amounts in the Reserve Account to the credit of the holder of the Local Bond if payments on the principal of and Cost of Funds on the Local Bond are not timely made.

(e) Investment earnings on the amount in the Reserve Account shall be transferred to the Borrower on each Payment Date, unless the Borrower applies such investment earnings to the principal and Cost of Funds due on the Local Bond on such Payment Date; provided, that if an Event of Default has occurred and is continuing, investment earnings shall be maintained in the Reserve Account. The Reserve Account shall be invested and reinvested by the West Virginia Municipal Bond Commission in any Qualified Investments to the fullest extent possible under applicable laws.

(f) The Borrower's obligations to make deposits under subsections 6(c)(i), (ii) and (iii) above and to make payments as scheduled under the Local Bond shall not be discharged in whole or in part by any transfer made by the Borrower from the Reserve Account.

Section 6.2. Payment of Additional Payments. In addition to the payments of principal of and Cost of Funds on the Local Bond, the Borrower agrees to pay on demand of the Authority the following Additional Payments:

(1) The costs of the Fund, the Authority, the Department or the Board in connection with the enforcement of this Agreement, including the reasonable fees and expenses of any attorneys used by any of them;

(2) Amounts required to restore the Required Reserve in the Reserve Account as provided in Section 6.1; and

(3) All expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof.

The Borrower agrees to pay interest on any Additional Payments enumerated in (1), (2) or (3) above not received by the Authority within ten (10) days after demand therefor at a rate of five percent (5.0%) per annum of the overdue installment from its due date until the date it is paid.

ARTICLE VII
PREPAYMENTS

Section 7.1. Prepayment of Local Bond. Upon completion of the Project and after giving at least ten (10) days' written notice to the Authority, the Borrower may prepay the Local Bond at any time, in whole or in part and without penalty. Such written notice shall specify the date on which the Borrower will make such prepayment and whether the Local Bond will be prepaid in full or in part, and if in part, the principal amount to be prepaid. Any such partial prepayment shall be applied against the principal amount outstanding under the Local Bond but shall not postpone the due date of any subsequent payment on the Local Bond, or change the amount of such installment, unless the Borrower and the Authority agree otherwise in writing.

ARTICLE VIII
OPERATION AND USE OF SYSTEM

Section 8.1. Ownership and Operation of Project and System. Except as may be otherwise approved by the Authority or permitted by the terms hereof, the Project and the System at all times shall be owned by the Borrower and shall not be operated or controlled by any other entity or person. Furthermore, in accordance with Chapter 25 of the Acts of the

Legislature of West Virginia, First Extraordinary Session, 1933, as amended by Chapter 48 of the Acts of the Legislature of West Virginia, Second Extraordinary Session of 1933, the Borrower may operate the Project through The Sanitary Board of Bluefield, Inc., a Virginia corporation, established on July 1, 1936 through articles of association with the Virginia State Corporation Commission.

Section 8.2. Maintenance. At its own cost and expense, the Borrower shall operate the System in a proper, sound and economical manner and in compliance with all legal requirements, shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

Section 8.3. Additions and Modifications. At its own expense, the Borrower from time to time may make any additions, modifications, replacements or improvements to the System which it deems desirable and which do not materially reduce the value of the System or the structural or operational integrity of any part of the System; provided, that all such additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the System.

Section 8.4. Use of System. The Borrower shall comply with all lawful requirements of any governmental authority regarding the System, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational and other changes to the System, irrespective of the cost of making the same.

Section 8.5. Inspection of System and Borrower's Books and Records. The Authority and the Department and their duly authorized representatives and agents shall have such reasonable rights of access to the System as may be necessary to determine whether the Borrower is in compliance with the requirements of this Agreement and shall have the right at all reasonable times and upon reasonable prior notice to the Borrower to examine and copy the books and records of the Borrower insofar as such books and records relate to the System.

Section 8.6. Ownership of Land. The Borrower shall not construct, reconstruct or install any part of the System on lands other than those which the Borrower owns or can acquire title to or a perpetual easement over, in either case sufficient for the Borrower's purposes, unless such part of the System is lawfully located in a public street or highway or is a main, conduit, pipeline, main connection or facility located on land in which the Borrower has acquired a right or interest less than a fee simple or perpetual easement and such lesser right or interest has been approved by written opinion of counsel to the Borrower as sufficient for the Borrower's purposes. Notwithstanding the foregoing, in accordance with Chapter 25 of the Acts of the Legislature of West Virginia, First Extraordinary Session, 1933, as amended by Chapter 48 of the Acts of the Legislature of West Virginia, Second Extraordinary Session of 1933, the Borrower may operate the Project through The Sanitary Board of Bluefield, Inc., a Virginia

corporation, established on July 1, 1936 through articles of association with the Virginia State Corporation Commission.

Section 8.7. Sale or Encumbrance. No part of the System shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except as provided in any one of the following subsections, or as may be otherwise consented and agreed to by the Authority in writing:

(a) The Borrower may grant easements, licenses or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use of the System;

(b) The Borrower may sell, lease or otherwise dispose of any of the property comprising a part of the System if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Borrower shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property;

(c) The Borrower may sell, lease or otherwise dispose of any of the property comprising a part of the System if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $125,000, the Borrower shall, upon consultation of with a professional engineer, determine by resolution that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property; or

(d) The Borrower may sell or otherwise dispose of property constituting part of the System; provided, however, (i) no such property shall be sold or otherwise disposed of unless there is filed with the Authority a certificate of the Borrower, signed by an Authorized Representative, stating that such property is no longer needed or useful in the operation of the System, and, if the proceeds of such sale or disposition, together with the aggregate value of any other property sold or otherwise disposed of during the Fiscal Year, shall exceed $125,000, there shall also be filed with the Borrower and the Authority a certificate of the Consulting Engineer stating that such property is not necessary or useful to the operation of the System, and (ii) the proceeds to be received from any sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of or Cost of Funds on the Local Bond and then to such other purposes as may be approved by the Authority.

Section 8.8. Collection of Gross Revenues. The Borrower 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 applicable laws of the Commonwealth of Virginia, the rules and regulations of the Public Service

Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Borrower 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, and any services and facilities of the water system, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Borrower, the Borrower shall enter into a termination agreement with the water provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 8.9. No Free Service. The Borrower will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Borrower, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Borrower and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 8.10. No Competing Service. To the extent legally allowable, the Borrower will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 8.11. Mandatory Connection. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Borrower and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health

from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 8.12. Lawful Charges. The Borrower shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the "Governmental Charges") which are (i) assessed, levied or imposed against the System or the Borrower's interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the System. The Borrower shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the System or the Net Revenues (collectively, the "Mechanics' Charges"). The Borrower, however, after giving the Authority ten (10) days' notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics' Charges. If such a contest occurs, the Borrower may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in the reasonable opinion of the Authority, such action may impair the lien on Net Revenues granted by this Agreement, in which event, such Governmental Charges or Mechanics' Charges promptly shall be satisfied or secured by posting with the Authority or an appropriate court a bond in form and amount reasonably satisfactory to the Authority. Upon request, the Borrower shall furnish to the Authority proof of payment of all Governmental Charges and the Mechanics' Charges required to be paid by the Borrower under this Agreement.

ARTICLE IX
INSURANCE, DAMAGE AND DESTRUCTION

Section 9.1. Insurance. (a) The Borrower covenants and agrees that so long as the Local Bond remains outstanding, the Borrower will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Borrower will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be used only for the repairs and restoration of the System. The Borrower will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Borrower, the Authority, the prime contractor and all subcontractors as their respective interests may appear during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Borrower, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

(b) The Borrower shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

The Borrower shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided, that the amounts and terms of such coverage are satisfactory to the Authority.

Section 9.2. Requirements of Policies. All insurance required by Section 9.1 shall be maintained with generally recognized, responsible insurance companies selected by the Borrower and reasonably acceptable to the Authority. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other utility systems of like size and character to the System, and shall contain an undertaking by the insurer that such policy shall not be modified adversely to the interests of, or canceled without at least thirty (30) days' prior notice to, the Authority. If any such insurance is not maintained with an insurer licensed to do business in West Virginia, the Borrower shall provide evidence reasonably satisfactory to the Authority that such insurance is enforceable under West Virginia law.

Section 9.3. Notice of Damage, Destruction and Condemnation. In the case of (i) any damage to or destruction of any material part of the System, (ii) a taking of all or any part of the System or any right therein under the exercise of the power of eminent domain, (iii) any loss of the System because of failure of title, or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice thereof to the Authority describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

Section 9.4. Damage and Destruction. If all or any part of the System is destroyed or damaged by fire or other casualty, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Borrower may determine and which will not impair the capacity or character of the System for the purpose for which it then is being used or is intended to be used. The Borrower may apply so much as may be necessary of the Net Proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to the prepayment of the Local Bond pursuant to Article VII.

Section 9.5. Condemnation and Loss of Title. If title to or the temporary use of all or any part of the System shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall cause the Net Proceeds from any such

condemnation award or from title insurance to be applied to the restoration of the System to substantially its condition before the exercise of such power of eminent domain or failure of title. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to the prepayment of the Local Bond pursuant to Article VII.

ARTICLE X
SPECIAL COVENANTS

Section 10.1. Maintenance of Existence. The Borrower shall maintain its existence as a "local government" (as defined in the Act) of the State of West Virginia and, without consent of the Authority and the Department, shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity. Notwithstanding the foregoing, the Borrower may consolidate or merge with or into, or sell or otherwise transfer all or substantially all of its assets to a political subdivision of the Commonwealth of Virginia or the State of West Virginia, and the Borrower thereafter may dissolve, if the surviving, resulting or transferee political subdivision, if other than the Borrower, assumes, in written form acceptable to the Authority and the Department, all of the obligations of the Borrower contained in the Local Bond and this Agreement, and there is furnished to the Authority and the Department an Opinion of Counsel acceptable to the Authority and the Department, subject to customary exceptions and qualifications, to the effect that such assumption constitutes the legal, valid and binding obligation of the surviving, resulting or transferee political subdivision enforceable against it in accordance with its terms.

Section 10.2. Financial Records and Statements. The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit of the financial condition of the Borrower (and at the reasonable request of the Authority, of the System) made by an independent certified public accountant, within one hundred and eighty (180) days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Borrower during such Fiscal Year satisfied the Rate Covenant. The Borrower shall furnish to the Authority copies of such report immediately after it is accepted by the Borrower. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower's financial position as of the end of such Fiscal Year and the results of the Borrower's operations and changes in the financial position of its funds for the Fiscal Year.

Section 10.3. Certificate as to No Default. The Borrower shall deliver to the Authority, within one hundred and eighty (180) days after the close of each Fiscal Year, a certificate signed by an Authorized Representative stating that, during such year and as of the date of such certificate, no event or condition has happened or existed, or is happening or

existing, which constitutes an Event of Default or a Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Borrower has taken, is taking or proposes to take to rectify it.

Section 10.4. Additional Indebtedness. The Borrower shall not, without written consent of the Authority, incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by or payable from a pledge of Net Revenues, except Subordinate Bonds or Parity Bonds.

Section 10.5. Parity Bonds. Provided the Borrower is not in default hereunder, the Borrower may issue bonds, notes or other evidences of indebtedness ("Parity Bonds") ranking on parity with the Local Bond with respect to the pledge of Net Revenues to (i) pay Project Costs to complete the Project, (ii) pay the cost of improvements, additions, extensions, replacements, equipment or betterments and of any property, rights or easements deemed by the Borrower to be necessary, useful or convenient for the System, (iii) refund some or all of the Local Bond, Parity Bonds, Existing Parity Bonds, or (iv) effect some combination of (i), (ii) and (iii); provided, in each case the following conditions are satisfied. Except to the extent otherwise consented and agreed to by the Authority in writing, before any Parity Bonds are issued or delivered, the Borrower shall deliver to the Authority the following:

(a) Certified copies of all resolutions and ordinances of the Borrower authorizing the issuance of the Parity Bonds.

(b) A certificate of an appropriate official of the Borrower setting forth the purposes for which the Parity Bonds are to be issued and the manner in which the Borrower will apply the proceeds from the issuance and sale of the Parity Bonds.

(c) A certificate of a Qualified Independent Consultant that (i) the Rate Covenant is met and (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Parity Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for the principal of and interest on the Local Bond, Existing Parity Bonds and the Parity Bonds.

(d) An Opinion of Bond Counsel satisfactory to the Authority subject to customary exceptions and qualifications, approving the form of the resolution authorizing the issuance of the Parity Bonds and stating that its terms and provisions conform with the requirements of this Agreement and that the certificates and documents delivered to the Authority constitute compliance with the provisions of this Section.

Section 10.6. Further Assurances. The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds,

conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights, Net Revenues and other funds pledged or assigned by this Agreement, or as may be required to carry out the purposes of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledge of the Net Revenues and other funds pledged under this Agreement and all rights of the Authority, the Department and the Board under this Agreement against all claims and demands of all persons.

Section 10.7. Other Indebtedness. The Borrower agrees to pay when due all amounts required by any other bonded indebtedness and to perform all of its obligations in connection therewith.

Section 10.8. Assignment by Borrower. The Borrower may not assign its rights under this Agreement without the prior written consent of the Authority and the Department. If the Borrower desires to assign its rights under this Agreement to another "local government" (as defined in the Act), the Borrower shall give notice of such fact to the Authority and the Department. If the Authority and the Department consent to the proposed assignment, the Borrower may proceed with the proposed assignment, but such assignment shall not become effective until the Authority and the Department are furnished (i) an assumption agreement in form and substance satisfactory to the Authority and the Department by which the assignee agrees to assume all of the Borrower's obligations under the Local Bond and this Agreement, and (ii) an Opinion of Counsel to the assignee, subject to customary exceptions and qualifications, that the assumption agreement, the Local Bond and this Agreement constitute legal, valid and binding obligations of the assignee enforceable against the assignee in accordance with their terms and that the assignment and assumption comply in all respects with the provisions of this Agreement. Notwithstanding the foregoing, the assignment of the rights of the Borrower under the Local Bond and this Agreement or the assumption of the obligations thereunder by the assignee shall in no way be construed as releasing the Borrower's obligations.

Section 10.9. Continuing Disclosure Obligations. (a) For purposes of this Section, the following terms and phrases shall have the following meanings:

"Annual Financial Information" with respect to any Fiscal Year for the Borrower, means the following:

(i) the financial statements (consisting of at least a balance sheet and statement of revenues and expenses) of the System, or, if not available, the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of the Borrower, which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Borrower after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to

time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit G.

"Dissemination Agent" shall mean any person, reasonably acceptable to the Authority, whom the Borrower contracts in writing to perform its obligations as provided in subsection (b) of this Section.

"Leveraging Bonds" means the bonds and other evidences of indebtedness issued and sold by the Authority pursuant to the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia (1950), as amended, the Act, and any successor provisions of law, including without limitation the bonds and other evidences of indebtedness issued by the Authority under the Amended and Restated Master Indenture of Trust dated as of April 1, 2010, between the Authority and U.S. Bank National Association, as trustee, as supplemented and amended.

"Local Government" shall have the meaning set forth in Section 62.1-199 of the Code of Virginia of 1950, as amended.

"Local Obligations" shall mean any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, leases or any other evidences of indebtedness of a Local Government evidencing a loan made by the Authority to a Local Government from the Fund or the proceeds of Leveraging Bonds.

"Make Public" or "Made Public" shall have the meaning set forth in subsection (c) of this Section.

"Material Local Government" shall mean a Local Government that satisfies a set of objective criteria established by the Authority at the time of sale of each series of Leveraging Bonds and based on the level of participation of each Local Government in the aggregate outstanding principal amount of all Local Obligations. For all Leveraging Bonds currently outstanding as of the date of this Agreement, a Material Local Government is any Local Government whose aggregate outstanding principal amount of Local Obligations represents twenty percent (20%) or more of the aggregate outstanding principal amount of all Local Obligations.

"Rule" means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

(b) The Borrower shall Make Public or cause to be Made Public:

(1) Within 270 days after the end of the Borrower's Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Borrower constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included by reference in a document Made Public to any document previously filed with the SEC. If the document referred to is a final official statement within the meaning of the Rule, then it must be available from the Municipal Securities Rulemaking Board ("MSRB").

(2) In a timely manner, notice of any failure by the Borrower to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been Made Public if transmitted to the Authority and to the MSRB for publication on its Electronic Municipal Market Access system ("EMMA"). All documents provided to the MSRB shall be accompanied by identifying information prescribed by the Authority and the MSRB.

(d) The Borrower shall also notify the Authority within five (5) business days of becoming aware of any of the following events that may from time to time occur with respect to the Local Bond:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on any credit enhancement reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other notices or determinations with respect to the tax status of the Local Bond, or other events affecting the tax status of the Local Bond;

(7) modifications to rights of the holders of the Local Bond;

(8) bond calls and tender offers;

(9) defeasances of all or any portion of the Local Bond;

(10) release, substitution, or sale of property securing repayment of the Local Bond;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Borrower*;

(13) the consummation of a merger, consolidation or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(14) appointment of a successor or additional trustee or the change in the name of a trustee;

(15) Incurrence of a financial obligation** of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.

(e) Notwithstanding anything in this Agreement to the contrary, the Borrower need not comply with the provisions of subsections (a) through (d) above unless and until the Authority has issued Leveraging Bonds and has notified the Borrower that it satisfied the objective criteria for a Material Local Government as of the end of the Authority's immediately preceding fiscal year. As of the date of execution and delivery of this Agreement, the Authority has not issued Leveraging Bonds and the Borrower does not constitute a Material Local Government for purposes of this Section.

(f) The obligations of the Borrower under this Section will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all of the Leveraging Bonds.

(g) The Borrower may modify its continuing disclosure obligations in this

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

Section without the consent of holders of the Leveraging Bonds provided that this Section as so modified complies with the Rule as it exists at the time of modification. The Borrower shall within a reasonable time thereafter send to the Authority and the MSRB through EMMA a description of such modification(s).

(h) (1) If the Borrower fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of Leveraging Bonds then Outstanding may, by notice to the Borrower, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Borrower's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Borrower to comply with any obligation regarding Annual Financial Information specified in this Section (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (h)(1) of this Section.

(i) The Borrower may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to the contrary, the Borrower shall not incur any obligation to continue to provide, or to update, such additional information or data.

(j) The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to Make Public the Annual Financial Information, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 10.10. Davis-Bacon Act. The Borrower agrees to comply with the Davis-Bacon Act and related acts, as amended, with respect to the Project and require that all laborers and mechanics employed by contractors and subcontractors for the Project shall be paid wages at rates not less than those prevailing on projects of a similar character, as determined by the United States Secretary of Labor in accordance with Section 513 of the Federal Water Pollution Control Act, as amended.

Section 10.11. American Iron and Steel. The Borrower agrees to comply with Section 608 of the Federal Water Pollution Control Act and related acts, as amended, with respect to the Project and require that all iron and steel products used for the Project are to be produced in the United States as required under such act. The term "iron and steel products" is defined to mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete and construction materials.

Section 10.12. Fiscal Sustainability Plan. The Borrower agrees to develop and implement a Fiscal Sustainability Plan ("FSP") to the reasonable satisfaction of the Department that includes but is not limited to: (1) an inventory of critical assets that are part of the treatment works, (2) evaluation of the condition and performance of inventoried assets or asset groupings,

(3) certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan, and (4) a plan for maintaining, repairing, funding, and as necessary, replacing the treatment works. Except as may otherwise be approved by the Department, disbursements shall be held at eighty percent (80%) of the maximum authorized amount of the Local Bond until a draft FSP is submitted to the Department and at ninety-five percent (95%) of the maximum authorized amount of the Local Bond until a final FSP is submitted and approved by the Department.

ARTICLE XI
DEFAULTS AND REMEDIES

Section 11.1. Events of Default. Each of the following events shall be an "Event of Default":

(a) The failure to pay when due any payment of principal and Cost of Funds due hereunder or to make any other payment required to be made under the Local Bond or this Agreement, including payments under Section 6.1 required to fund the Reserve Account to the amount of the Required Reserve or restore the balance in the Reserve Account to the Required Reserve upon any shortfall therein;

(b) The Borrower's failure to perform or observe any of the other covenants, agreements or conditions of the Local Bond or this Agreement and the continuation of such failure for a period of thirty (30) days after the Authority gives the Borrower written notice specifying such failure and requesting that it be cured, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Default is corrected;

(c) Any warranty, representation or other statement by or on behalf of the Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Local Bond is false or misleading in any material respect;

(d) The occurrence of a default by the Borrower under the terms of any Subordinate Bonds, Parity Bonds, or Existing Parity Bonds and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder;

(e) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the System or any part thereof or of the Gross Revenues thereof, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated, discharged or stayed on appeal within sixty (60) days after the entry thereof;

(f) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances secured by or payable from Net Revenues; or

(g) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Borrower under any federal or state bankruptcy or insolvency law now or hereinafter in effect and, if instituted against the Borrower, is not dismissed within sixty (60) days after filing.

Section 11.2. Notice of Default. The Borrower agrees to give the Authority prompt written notice if any order, decree or proceeding referred to in Section 11.1(e), (f) or (g) is entered or instituted against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default immediately upon becoming aware of the existence thereof.

Section 11.3. Remedies on Default. Whenever any Event of Default referred to in Section 11.1 shall have happened and be continuing, the Authority shall, in addition to any other remedies provided herein or by law, including rights specified in Section 62.1-228 of the Act, have the right, at its option without any further demand or notice, to take one or both of the following remedial steps:

(a) Declare immediately due and payable all payments due or to become due on the Local Bond and under this Agreement, and upon notice to the Borrower, the same shall become immediately due and payable by the Borrower without further notice or demand; and

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due on the Local Bond and under this Agreement or to enforce any other of the Fund's, the Authority's, the Department's or the Board's rights under this Agreement or to enforce performance by the Borrower of its covenants, agreements or undertakings contained herein or in the Local Bond, which the Borrower hereby agrees are assigned to the Authority upon the occurrence of an Event of Default.

Section 11.4. Delay and Waiver. No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Default or Event of Default under this Agreement shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereto.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 12.2. Amendments. The Authority and the Borrower, with the written consent of the Department, shall have the right to amend from time to time any of the terms and conditions of this Agreement; provided, that all amendments shall be in writing and shall be signed by or on behalf of the Authority and the Borrower; provided, however, that the written consent of the Department shall not be required for the Authority and the Borrower to amend Articles I, V, IX and XI or Sections 10.4, 10.5 and 10.9 of this Agreement.

Section 12.3. Limitation of Borrower's Liability. Notwithstanding anything in the Local Bond or this Agreement to the contrary, the Borrower's obligations are not its general obligations, but are limited obligations payable solely from the Net Revenues which are specifically pledged for such purpose. Neither the Local Bond nor this Agreement shall be deemed to create or constitute a general obligation debt or a pledge of the faith and credit of the Borrower, and the Borrower shall not be obligated to pay the principal of and Cost of Funds on the Local Bond or other costs incident thereto except from the Net Revenues and other funds pledged therefor. In the absence of fraud, no present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or the Local Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bond.

Section 12.4. Applicable Law. This Agreement shall be governed by the applicable laws of the State of West Virginia with respect to the Borrower and the applicable laws of the Commonwealth of Virginia with respect to the Authority.

Section 12.5. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

Section 12.6. Notices. Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bond or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

Fund:	Virginia Water Facilities Revolving Fund c/o Virginia Resources Authority 1111 East Main Street, Suite 1920 Richmond, VA 23219 Attention: Executive Director
Authority:	Virginia Resources Authority 1111 East Main Street, Suite 1920 Richmond, VA 23219 Attention: Executive Director
Department and Board:	State Water Control Board Department of Environmental Quality P. O. Box 1105 Richmond, VA 23218 Attention: Executive Director
Borrower:	The City of Bluefield, West Virginia 110 Rogers Street Bluefield, WV 24701 Attention: Mayor

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. The Authority, the Department, the Board and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 12.7. Right to Cure Default. If the Borrower shall fail to make any payment or to perform any act required by it under the Local Bond or this Agreement, the Authority without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of interest of five percent (5.0%) per annum until paid. The Borrower's obligation under this Section shall survive the payment of the Local Bond.

Section 12.8. Headings. The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

Section 12.9. Term of Agreement. This Agreement shall be effective upon its execution and delivery; provided, that the Local Bond shall have been previously or simultaneously executed and delivered. Except as otherwise specified, the Borrower's

obligations under the Local Bond and this Agreement shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under this Agreement.

Section 12.10. Commitment Letter. The Commitment Letter is an integral part of this Agreement and shall survive closing hereunder.

Section 12.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[Signature Page Follows]

WITNESS the following signatures, all duly authorized.

VIRGINIA RESOURCES AUTHORITY, as Administrator of the Virginia Water Facilities Revolving Fund

By: _____
Its: _____

THE CITY OF BLUEFIELD, WEST VIRGINIA

By: _____
Its: Mayor

WITNESS the following signatures, all duly authorized.

VIRGINIA RESOURCES AUTHORITY, as Administrator of the Virginia Water Facilities Revolving Fund

By: _____
Its: Executive Director

THE CITY OF BLUEFIELD, WEST VIRGINIA

By: _____
Its: Mayor

EXHIBIT A

FORM OF LOCAL BOND
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

[To Be Provided by Borrower's Bond Counsel]

EXHIBIT B

PROJECT DESCRIPTION
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

The Project includes financing the rehabilitation of the Westside Wastewater Treatment Plant located in Bluefield, Virginia, together with related expenses.

EXHIBIT C

PROJECT BUDGET
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

Sources		
Virginia Water Facilities Revolving Fund Loan	$	10,744,800
TOTAL:	**$**	**10,744,800**

Uses		
Construction	$	9,908,500
Contingency		785,800
Bond Counsel		50,000
Registrar Fee		500
TOTAL:	**$**	**10,744,800**

EXHIBIT D

OPINION OF BORROWER'S BOND COUNSEL
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

[To Be Provided by Borrower's Bond Counsel]

EXHIBIT E

FORM OF REQUISITION
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

[LETTERHEAD OF BORROWER]

[Date]

Karen M. Doran, Program Manager
Construction Assistance Program
Department of Environmental Quality
P. O. Box 1105
Richmond, Virginia 23218

Re: The City of Bluefield, West Virginia
Loan No. C-5155559-02

Dear Ms. Doran:

This requisition, Number ___, is submitted in connection with the Financing Agreement, dated as of June 4, 2020 (the "Agreement") between the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund (the "Fund"), and The City of Bluefield, West Virginia (the "Borrower"). Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Agreement. The undersigned Authorized Representative of the Borrower hereby requests disbursement of loan proceeds under the Agreement in the amount of $_____, for the purposes of payment of the Project Costs as set forth on Schedule 1 attached hereto.

Attached hereto are invoices relating to the items for which payment is requested.

The undersigned certifies that (a) the amounts requested by the requisition will be applied solely and exclusively to the payment, or to the reimbursement of the Borrower for the payment, of Project Costs, and (b) any materials, supplies or equipment covered by this requisition are not subject to any lien or security interest or such lien or security interest will be released upon of the requisition. In addition, to the extent applicable, the undersigned certifies that the Borrower has conducted adequate oversight for compliance with the Davis-Bacon Act and related acts through (a) the review of payrolls and associated certifications, (b) the conducting of employee interviews,

and (c) the posting of all wage determinations and additional classifications (as appropriate) on the work site, and through this oversight, the Borrower has determined to the best of its ability that the Project complies with the requirements of the Davis-Bacon Act and related acts. The Borrower further certifies that all products included in this request satisfy the appropriate provisions of the American Iron and Steel requirements included in the Agreements.

The undersigned further certifies that (a) no Event of Default or Default has occurred and is continuing, and no condition exists which, with the passing of time or with the giving of notice or both, would constitute an Event of Default hereunder, and (b) the representations and warranties of the Borrower contained in the Agreement are true, correct and complete and the Borrower has performed all of its obligations thereunder required to be performed as of the date hereof.

This requisition includes an accompanying Certificate of the Consulting Engineer as to the performance of the work.

Very truly yours,

By: _____

Its: _____

Attachments

cc: DEQ Regional Engineer (with all attachments)

CERTIFICATE OF THE CONSULTING ENGINEER
FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT

This Certificate is being executed and delivered in connection with Requisition Number ___, dated _____, 20__, submitted by The City of Bluefield, West Virginia (the "Borrower"), pursuant to the Financing Agreement, dated as of June 1, 2020 (the "Agreement") between the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund (the "Authority"), and the Borrower. Capitalized terms used herein shall have the same meanings set forth in Article I of the Agreement.

The undersigned Consulting Engineer for the Borrower hereby certifies to the Authority that, insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished to or installed in the construction portion of the Project.

_____
[Consulting Engineer]

By: _____

Date: _____

SCHEDULE 1
VIRGINIA WATER FACILITIES REVOLVING FUND
FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT

REQUISITION #_____

BORROWER: THE CITY OF BLUEFIELD, WEST VIRGINIA

LOAN NUMBER: C-515632-02

CERTIFYING SIGNATURE:_____

TITLE:_____

Cost Category	Amount Budgeted	Previous Disbursements	Expenditures This Period	Total Expenditures To Date	Net Balance Remaining
TOTALS:					

Total Loan Amount $_____
Previous Disbursements $_____
This Request $_____
Loan Proceeds Remaining $_____

EXHIBIT F

EXISTING PARITY BONDS
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

Existing Parity Bonds:

(i) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645 (the "Series 1998 A Bonds");

(ii) Sewerage System Revenue Bonds, Series 2000 A, dated July 13, 2000, issued in the original aggregate principal amount of $307,000 (the "Series 2000 A Bonds");

(iii) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated January 28, 2010, issued the original aggregate principal amount of $2,883,295 (the "Series 2010 B Bonds");

(iv) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $1,358,924 (the "Series 2013 A Bonds"); and

(v) Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), dated June 4, 2020, issued simultaneously in the original aggregate principal amount of $3,066,273 (the "Series 2020 A Bonds")

EXHIBIT G

OPERATING DATA
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

Description of Borrower. A description of the Borrower including a summary description of the System, and its management and officers.

Debt. A description of the terms of the Borrower's outstanding debt including a historical summary of outstanding debt and a summary of annual debt service on outstanding debt as of the end of the preceding Fiscal Year. The Annual Financial Information should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Borrower and any unfunded pension liabilities.

Financial Information and Operating Data. Financial information for the System as of the end of the preceding Fiscal Year, including a description of revenues and expenditures, largest users, a summary of rates, fees and other charges of the System, and a historical summary of debt service coverage.

EXHIBIT H

FORM OF BUDGET
THE CITY OF BLUEFIELD, WEST VIRGINIA
C-515632-02

(To Be on Borrower's Letterhead)

[Date]

Executive Director
Virginia Resources Authority
1111 East Main Street, Suite 1920
Richmond, VA 23219

Dear Mr./Ms. _____:

Pursuant to the Financing Agreement[s] between Virginia Resources Authority and The City of Bluefield, West Virginia, a copy of the fiscal year [20xx] annual budget is enclosed. Such annual budget provides for the satisfaction of the rate covenant as demonstrated below.

Gross Revenues	**Operation & Maintenance Expense**	**Net Revenues** (Gross Revenues – O&M Expense)	**Debt Service**	**Coverage** (Net Revenues /Debt Service)

All capitalized terms used herein shall have the meaning set forth in the Financing Agreement[s].

Very truly yours,

By: _____

Its: _____

WEST VIRGINIA
Infrastructure & Jobs Development Council

November 14, 2018

Shannon Bailey
BLUEFIELD SANITARY BOARD
P O Box 998
Bluefield, WV 24701-0998

Re: BLUEFIELD SANITARY BOARD
Sewer Plant Upgrade/Line Upgrade Project No. 2018S-1769
Preliminary Application Approved

Dear Shannon Bailey:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the preliminary application for the above-referenced project (Project).

Based on the findings of the Sewer Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Sponsor should carefully review the comments of the Sewer Technical Review Committee, as found on the Project Team Members' Dashboards at www.wvinfrastructure.com, as the Sponsor may need to address certain issues raised in said comments as it proceeds with the Project.

Below is loan information for this Project:
Other Loan (Term: 20 years Rate: 1.8000%) - $11,818,519.00
CWSRF Loan (Term: 20 years Rate: 2.5000%) - $3,140,712.00

Below is grant information for this Project:

Total project cost is $14,959,231.00. If you have any questions regarding this matter, please contact Wayne Morgan, Executive Director, at (304) 414-6501 (X106).

Sincerely,

Wayne Morgan
Executive Director

cc: Katheryn Emery, West Virginia Department of Environmental Protection
Robert (Greg) G. Belcher, Chapman Technical Group
Jeffery A Johnson, Region 1 - Planning & Development Council
Michael D Griffith, Griffith & Associates
Samme Gee, Esq., Jackson Kelly

The City of Bluefield
Sewer Revenue Bonds, Series 2020 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR SERIES 2020 A BOND AND SERIES 2020 A BOND PROCEEDS

On the 4th day of June, 2020, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The City of Bluefield (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 4th day of June, 2020, the Authority received the Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), of the Issuer, in the principal amount of $3,066,273, numbered AR-1 (the "Series 2020 A Bonds"), issued as a single, fully registered bond, and dated June 4, 2020.

2. At the time of such receipt, all the Series 2020 A Bonds had been executed by the Mayor and the Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2020 A Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2020 A Bonds, of $2,240,401, being a portion of the principal amount of the Series 2020 A Bonds. The balance of the principal amount of the Series 2020 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

079810.00009

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Sheila A. Miller
Its: Authorized Representative

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

079810.00009

The City of Bluefield
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

CROSS-RECEIPT FOR SERIES 2020 B BOND AND SERIES 2020 B BOND PROCEEDS

On the 4th day of June, 2020, the undersigned authorized representative of the Virginia Resources Authority (the "VRA"), for and on behalf of the VRA, and the undersigned Mayor of The City of Bluefield (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 4th day of June, 2020, the VRA received the Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), of the Issuer, in the principal amount of $10,744,800, numbered BR-1 (the "Series 2020 B Bonds"), issued as a single, fully registered bond, and dated June 4, 2020.

2. At the time of such receipt, all the Series 2020 B Bonds had been executed by the Mayor and the Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2020 B Bonds.

3. The Issuer has received and hereby acknowledges receipt from the VRA, as the original purchaser of the Series 2020 B Bonds, of $50,500, being a portion of the principal amount of the Series 2020 B Bonds. The balance of the principal amount of the Series 2020 B Bonds will be advanced by the VRA to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

VIRGINIA RESOURCES AUTHORITY

By: _____
Its: Authorized Representative

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

079810.00009

Dated as of the day and year first written above.

VIRGINIA RESOURCES AUTHORITY

By: _____
Its: Authorized Representative

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

079810.00009

The City of Bluefield
Sewer Revenue Bonds, Series 2020 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 4th day of June, 2020.

(1) Bond No. AR-1, constituting the entire original issue of The City of Bluefield Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), dated June 4, 2020, issued in the principal amount of $3,066,273 (the "Series 2020 A Bonds"), and Bond No. BR-1, constituting the entire original issue of The City of Bluefield Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), dated June 4, 2020, issued in the principal amount of $10,744,800 (the "Series 2020 B Bonds"), (collectively, the "Series 2020 Bonds"), executed by the Mayor and the Clerk of The City of Bluefield (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on March 10, 2020, and a Supplemental Resolution duly adopted by the Issuer on May 13, 2020 and Certificate of Determinations dated June 4, 2020 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-described bond issues, duly certified by the Recorder of the Issuer;

(3) Executed counterparts of a Loan Agreement for the Series 2020 A Bonds, dated June 4, 2020, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection;

(4) Executed counterparts of a Financing Agreement for the Series 2020 B Bonds, dated June 4, 2020, by and between the Issuer and the Virginia Resources Authority (the "VRA"); and

(5) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement, Financing Agreement and the Series 2020 Bonds.

You are hereby requested and authorized to deliver the Series 2020 A Bonds to the Authority upon payment to the Issuer of the sum of $2,240,401, representing a portion of the principal amount of the Series 2020 A Bonds. Prior to such delivery of the Series 2020 A Bonds, you will please cause the Series 2020 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

You are hereby requested and authorized to deliver the Series 2020 B Bonds to the VRA upon payment to the Issuer of the sum of $50,500, representing a portion of the principal amount of the Series 2020 B Bonds. Prior to such delivery of the Series 2020 B Bonds, you will please cause the Series 2020 B Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Left Blank]

Dated as of the day and year first written above.

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

079810.00009

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD
SEWER REVENUE BONDS, SERIES 2020 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $3,066,273

KNOW ALL PERSONS BY THESE PRESENTS: That on the 4th day of June, 2020, THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer 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 THREE MILLION SIXTY-SIX THOUSAND TWO HUNDRED SEVENTY THREE DOLLARS ($3,066,273), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2022 to and including June 1, 2040 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of 2.75% payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2022, to and including June 1, 2040, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.25% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2022, as set forth on said EXHIBIT B.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority, and the DEP, dated June 4, 2020.

This Bond is issued (i) to pay the Sewer Surplus Revenue Notes, Series 2017 A, dated October 13, 2017 issued in the original aggregate principal amount of $1,929,000 (the "Prior Note"); (ii) to pay a portion the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on March 10, 2020, and a Supplemental Resolution duly adopted by the Issuer on May 13, 2020 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

(I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645 (THE "SERIES 1998 A BONDS");

(II) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, DATED JULY 13, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $307,000 (THE "SERIES 2000 A BONDS");

(III) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,883,295 (THE "SERIES 2010 B BONDS");

(IV) SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,358,924 (THE "SERIES 2013 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND

(V) SEWER REVENUE BONDS, SERIES 2020 B (VIRGINIA WATER FACILITIES REVOLVING FUND), DATED JUNE 4, 2020, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $10,744,800 (THE "SERIES 2020 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and Series 2020 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2020 A Bonds (the "Series 2020 A Bonds Reserve Account"), and unexpended proceeds of the Series 2020 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an 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 from said special fund provided from the Net Revenues, the monies in the Series 2020 A Bonds Reserve Account and unexpended proceeds of the Series 2020 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2020 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2020 A Bonds including the Prior Bonds and Series 2020 B Bonds; provided however, that, so long as there exists in the Series 2020 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2020 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds and Series 2020 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, has caused this Bond to be dated the day and year first written above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2020 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 4, 2020.

UNITED BANK
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$2,240,401	06/04/2020	(19)		
(2)			(20)		
(3)			(21)		
(4)			(22)		
(5)			(23)		
(6)			(24)		
(7)			(25)		
(8)			(26)		
(9)			(27)		
(10)			(28)		
(11)			(29)		
(12)			(30)		
(13)			(31)		
(14)			(32)		
(15)			(33)		
(16)			(34)		
(17)			(35)		
(18)			(36)		

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Net Debt Service
City of Bluefield
SRF
$3,066,273
2.75% Interest Rate
0.25% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
12/1/2022	33,646	21,080.63	54,726.63	1,049.08	55,775.71
3/1/2023	33,877	20,849.31	54,726.31	1,049.08	55,775.39
6/1/2023	34,110	20,616.41	54,726.41	1,049.08	55,775.49
9/1/2023	34,345	20,381.90	54,726.90	1,049.08	55,775.98
12/1/2023	34,581	20,145.78	54,726.78	1,049.08	55,775.86
3/1/2024	34,819	19,908.03	54,727.03	1,049.08	55,776.11
6/1/2024	35,058	19,668.65	54,726.65	1,049.08	55,775.73
9/1/2024	35,299	19,427.63	54,726.63	1,049.08	55,775.71
12/1/2024	35,542	19,184.95	54,726.95	1,049.08	55,776.03
3/1/2025	35,786	18,940.60	54,726.60	1,049.08	55,775.68
6/1/2025	36,032	18,694.57	54,726.57	1,049.08	55,775.65
9/1/2025	36,280	18,446.85	54,726.85	1,049.08	55,775.93
12/1/2025	36,529	18,197.42	54,726.42	1,049.08	55,775.50
3/1/2026	36,780	17,946.29	54,726.29	1,049.08	55,775.37
6/1/2026	37,033	17,693.42	54,726.42	1,049.08	55,775.50
9/1/2026	37,288	17,438.82	54,726.82	1,049.08	55,775.90
12/1/2026	37,544	17,182.47	54,726.47	1,049.08	55,775.55
3/1/2027	37,802	16,924.35	54,726.35	1,049.08	55,775.43
6/1/2027	38,062	16,664.46	54,726.46	1,049.08	55,775.54
9/1/2027	38,324	16,402.79	54,726.79	1,049.08	55,775.87
12/1/2027	38,587	16,139.31	54,726.31	1,049.08	55,775.39
3/1/2028	38,853	15,874.02	54,727.02	1,049.08	55,776.10
6/1/2028	39,120	15,606.91	54,726.91	1,049.08	55,775.99
9/1/2028	39,389	15,337.96	54,726.96	1,049.08	55,776.04
12/1/2028	39,660	15,067.16	54,727.16	1,049.08	55,776.24
3/1/2029	39,932	14,794.50	54,726.50	1,049.08	55,775.58
6/1/2029	40,207	14,519.97	54,726.97	1,049.08	55,776.05
9/1/2029	40,483	14,243.54	54,726.54	1,049.08	55,775.62
12/1/2029	40,762	13,965.22	54,727.22	1,049.08	55,776.30
3/1/2030	41,042	13,684.98	54,726.98	1,049.08	55,776.06
6/1/2030	41,324	13,402.82	54,726.82	1,049.08	55,775.90
9/1/2030	41,608	13,118.72	54,726.72	1,049.08	55,775.80
12/1/2030	41,894	12,832.66	54,726.66	1,049.08	55,775.74
3/1/2031	42,182	12,544.64	54,726.64	1,049.08	55,775.72
6/1/2031	42,472	12,254.64	54,726.64	1,049.08	55,775.72
9/1/2031	42,764	11,962.64	54,726.64	1,049.08	55,775.72
12/1/2031	43,058	11,668.64	54,726.64	1,049.08	55,775.72
3/1/2032	43,354	11,372.62	54,726.62	1,049.08	55,775.70
6/1/2032	43,652	11,074.56	54,726.56	1,049.08	55,775.64
9/1/2032	43,952	10,774.45	54,726.45	1,049.08	55,775.53
12/1/2032	44,255	10,472.28	54,727.28	1,049.08	55,776.36
3/1/2033	44,559	10,168.03	54,727.03	1,049.08	55,776.11
6/1/2033	44,865	9,861.69	54,726.69	1,049.08	55,775.77
9/1/2033	45,174	9,553.24	54,727.24	1,049.08	55,776.32
12/1/2033	45,484	9,242.67	54,726.67	1,049.08	55,775.75
3/1/2034	45,797	8,929.97	54,726.97	1,049.08	55,776.05
6/1/2034	46,112	8,615.11	54,727.11	1,049.08	55,776.19

Net Debt Service
City of Bluefield
SRF
$3,066,273
2.75% Interest Rate
0.25% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2034	46,429	8,298.09	54,727.09	1,049.08	55,776.17
12/1/2034	46,748	7,978.89	54,726.89	1,049.08	55,775.97
3/1/2035	47,069	7,657.50	54,726.50	1,049.08	55,775.58
6/1/2035	47,393	7,333.90	54,726.90	1,049.08	55,775.98
9/1/2035	47,719	7,008.07	54,727.07	1,049.08	55,776.15
12/1/2035	48,047	6,680.00	54,727.00	1,049.08	55,776.08
3/1/2036	48,377	6,349.68	54,726.68	1,049.08	55,775.76
6/1/2036	48,710	6,017.09	54,727.09	1,049.08	55,776.17
9/1/2036	49,045	5,682.21	54,727.21	1,049.08	55,776.29
12/1/2036	49,382	5,345.02	54,727.02	1,049.08	55,776.10
3/1/2037	49,721	5,005.52	54,726.52	1,049.08	55,775.60
6/1/2037	50,063	4,663.69	54,726.69	1,049.08	55,775.77
9/1/2037	50,407	4,319.51	54,726.51	1,049.08	55,775.59
12/1/2037	50,754	3,972.96	54,726.96	1,049.08	55,776.04
3/1/2038	51,103	3,624.03	54,727.03	1,049.08	55,776.11
6/1/2038	51,454	3,272.69	54,726.69	1,049.08	55,775.77
9/1/2038	51,808	2,918.95	54,726.95	1,049.08	55,776.03
12/1/2038	52,164	2,562.77	54,726.77	1,049.08	55,775.85
3/1/2039	52,523	2,204.14	54,727.14	1,049.08	55,776.22
6/1/2039	52,884	1,843.04	54,727.04	1,049.08	55,776.12
9/1/2039	53,247	1,479.47	54,726.47	1,049.08	55,775.55
12/1/2039	53,613	1,113.39	54,726.39	1,049.08	55,775.47
3/1/2040	53,982	744.80	54,726.80	1,049.08	55,775.88
6/1/2040	54,353	373.68	54,726.68	1,048.74	55,775.42
	3,066,273	819,327.37	3,885,600.37	74,484.34	3,960,084.71

The quarterly administration fee is calculated based on 0.25% of the loan payments and will be $1,049.08, with a final payment of $1,048.74, to total $74,484.34.

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD
SEWER REVENUE BONDS, SERIES 2020 B
(VIRGINIA WATER FACILITIES REVOLVING FUND)

No. BR-1 $10,744,800

KNOW ALL PERSONS BY THESE PRESENTS: That on the 4th day of June, 2020, THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Borrower"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the VIRGINIA RESOURCES AUTHORITY, as Administrator of the Virginia Water Facilities Revolving Fund (the "VRA"), or registered assigns the sum of TEN MILLION SEVEN HUNDRED FORTY-FOUR THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS ($10,744,800), or such lesser amount as shall have been advanced to the Borrower hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in semi-annual installments on June 1 and December 1 of each year, commencing December 1, 2022, to and including December 1, 2041 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of 0.95% payable in semi-annual installments on June 1 and December 1 of each year, commencing June 1, 2022, to and including December 1, 2041, as set forth on said EXHIBIT B. The Annual Administrative Fee of 0.20% (as defined in the hereinafter described Bond Legislation) shall also be payable semi-annually on June 1 and December 1, commencing June 1, 2022 as set forth on said EXHIBIT B. The interest plus the Annual Administrative Fee are collectively referred to as "Cost of Funds" as defined in the hereinafter described Financing Agreement.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The Cost of Funds on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the VRA is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part upon the terms and conditions prescribed by, and otherwise in compliance with, the Financing Agreement (the "Financing Agreement") by and between the Borrower and the VRA dated as of June 4, 2020.

This Bond is issued (i) to pay a portion the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Borrower (the

"Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Borrower, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Borrower on March 10, 2020, a Supplemental Resolution duly adopted by the Borrower on May 13, 2020 and a Certificate of Determinations dated June 4, 2020 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

(I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645 (THE "SERIES 1998 A BONDS");

(II) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, DATED JULY 13, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $307,000 (THE "SERIES 2000 A BONDS");

(III) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,883,295 (THE "SERIES 2010 B BONDS"); AND

(IV) SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,358,924 (THE "SERIES 2013 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); AND

(V) SEWER REVENUE BONDS, SERIES 2020 A (WEST VIRGINIA SRF PROGRAM), DATED JUBE 4, 2020, ISSUED SIMULTANEOUSLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,066,273 (THE "SERIES 2020 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and the Series 2020 A Bonds, and from monies

in the Reserve Account created under the Bond Legislation for the Series 2020 B Bonds (the "Series 2020 B Bonds Reserve Account"), and unexpended proceeds of the Series 2020 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and Cost of Funds on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provisions or limitations, nor shall the Borrower be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2020 B Bonds Reserve Account and unexpended proceeds of the Series 2020 B Bonds. Pursuant to the Bond Legislation, the Borrower has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and Cost of Funds on the Series 2020 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2020 B Bonds including the Prior Bonds and the Series 2020 A Bonds; provided however, that, so long as there exists in the Series 2020 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and Cost of Funds which will become due on the Series 2020 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds and Series 2020 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Borrower has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Borrower, does not exceed any limit

prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Borrower for the prompt payment of the principal of and Cost of Funds on this Bond.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, has caused this Bond to be dated the day and year first written above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2020 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 4, 2020.

UNITED BANK
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE		AMOUNT	DATE
(1) $50,500	06/04/2020		(19)	
(2)			(20)	
(3)			(21)	
(4)			(22)	
(5)			(23)	
(6)			(24)	
(7)			(25)	
(8)			(26)	
(9)			(27)	
(10)			(28)	
(11)			(29)	
(12)			(30)	
(13)			(31)	
(14)			(32)	
(15)			(33)	
(16)			(34)	
(17)			(35)	
(18)			(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

VRA Virginia Resources Authority

Locality: City of Bluefield, WV/Sanitary Board of Bluefield, WV
Project Number: C-515632-02
Loan Amount: $ 10,744,800
Cost of Funds: 1.15%
Principal Payments: 39

Interest: 0.95%
Admin. Fee: 0.20%
Late Fee: 5.00%

Estimated Project Completion Date: December 1, 2022

The first payment is Cost of Funds only and shall be computed on the disbursed principal thereof from the date of each disbursement
Payment schedule assumes principal disbursements up to the maximum authorized amount are made

PMT. #	DATE DUE	LOAN BALANCE AT START OF PERIOD	PAYMENT DUE	COST OF FUNDS	PRINCIPAL PORTION	LOAN BALANCE AT END OF PERIOD
1	6/1/2022	$ 10,744,800.00				$ 10,744,800.00
2	12/1/2022	10,744,800.00	$ 308,340.62	$ 61,782.60	$ 246,558.02	10,498,241.98
3	6/1/2023	10,498,241.98	308,340.62	60,364.89	247,975.73	10,250,266.25
4	12/1/2023	10,250,266.25	308,340.62	58,939.03	249,401.59	10,000,864.66
5	6/1/2024	10,000,864.66	308,340.62	57,504.97	250,835.65	9,750,029.01
6	12/1/2024	9,750,029.01	308,340.62	56,062.67	252,277.95	9,497,751.06
7	6/1/2025	9,497,751.06	308,340.62	54,612.07	253,728.55	9,244,022.51
8	12/1/2025	9,244,022.51	308,340.62	53,153.13	255,187.49	8,988,835.02
9	6/1/2026	8,988,835.02	308,340.62	51,685.80	256,654.82	8,732,180.20
10	12/1/2026	8,732,180.20	308,340.62	50,210.04	258,130.58	8,474,049.62
11	6/1/2027	8,474,049.62	308,340.62	48,725.79	259,614.83	8,214,434.79
12	12/1/2027	8,214,434.79	308,340.62	47,233.00	261,107.62	7,953,327.17
13	6/1/2028	7,953,327.17	308,340.62	45,731.63	262,608.99	7,690,718.18
14	12/1/2028	7,690,718.18	308,340.62	44,221.63	264,118.99	7,426,599.19
15	6/1/2029	7,426,599.19	308,340.62	42,702.95	265,637.67	7,160,961.52
16	12/1/2029	7,160,961.52	308,340.62	41,175.53	267,165.09	6,893,796.43
17	6/1/2030	6,893,796.43	308,340.62	39,639.33	268,701.29	6,625,095.14
18	12/1/2030	6,625,095.14	308,340.62	38,094.30	270,246.32	6,354,848.82
19	6/1/2031	6,354,848.82	308,340.62	36,540.38	271,800.24	6,083,048.58
20	12/1/2031	6,083,048.58	308,340.62	34,977.53	273,363.09	5,809,685.49
21	6/1/2032	5,809,685.49	308,340.62	33,405.69	274,934.93	5,534,750.56
22	12/1/2032	5,534,750.56	308,340.62	31,824.82	276,515.80	5,258,234.76
23	6/1/2033	5,258,234.76	308,340.62	30,234.85	278,105.77	4,980,128.99
24	12/1/2033	4,980,128.99	308,340.62	28,635.74	279,704.88	4,700,424.11
25	6/1/2034	4,700,424.11	308,340.62	27,027.44	281,313.18	4,419,110.93
26	12/1/2034	4,419,110.93	308,340.62	25,409.89	282,930.73	4,136,180.20
27	6/1/2035	4,136,180.20	308,340.62	23,783.04	284,557.58	3,851,622.62
28	12/1/2035	3,851,622.62	308,340.62	22,146.83	286,193.79	3,565,428.83
29	6/1/2036	3,565,428.83	308,340.62	20,501.22	287,839.40	3,277,589.43
30	12/1/2036	3,277,589.43	308,340.62	18,846.14	289,494.48	2,988,094.95
31	6/1/2037	2,988,094.95	308,340.62	17,181.55	291,159.07	2,696,935.88
32	12/1/2037	2,696,935.88	308,340.62	15,507.38	292,833.24	2,404,102.64
33	6/1/2038	2,404,102.64	308,340.62	13,823.59	294,517.03	2,109,585.61
34	12/1/2038	2,109,585.61	308,340.62	12,130.12	296,210.50	1,813,375.11
35	6/1/2039	1,813,375.11	308,340.62	10,426.91	297,913.71	1,515,461.40
36	12/1/2039	1,515,461.40	308,340.62	8,713.90	299,626.72	1,215,834.68
37	6/1/2040	1,215,834.68	308,340.62	6,991.05	301,349.57	914,485.11
38	12/1/2040	914,485.11	308,340.62	5,258.29	303,082.33	611,402.78
39	6/1/2041	611,402.78	308,340.62	3,515.57	304,825.05	306,577.73
40	12/1/2041	306,577.73	308,340.55	1,762.82	306,577.73	-
			$12,025,284.11	**$1,280,484.11**	**$10,744,800.00**	

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

June 4, 2020

The City of Bluefield
Sewer Revenue Bonds, Series 2020 A
(West Virginia SRF Program)

The City of Bluefield
Bluefield, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Bluefield (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia of its $3,066,273 Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), dated the date hereof (the "Series 2020 A Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a Loan Agreement dated June 4, 2020, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"); and (ii) the Series 2020 A Bonds which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Series 2020 A Bonds are issued in the principal amount of $3,066,273, in the form of one bond, bearing interest at the rate of 2.75% per annum, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning December 1, 2022, to and including June 1, 2040, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2020 A Bonds. The Series 2020 A Bonds are subject to the SRF Administrative Fee equal to 0.25% of the principal amount of the Series 2020 A Bonds as set forth in the Schedule Y attached to the Loan Agreement.

The Series 2020 A Bonds are issued under the authority of and in full compliance with the Constitution and statues of the State of West Virginia, including particularly, Chapter 16, Article 13 and

Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of (i) paying the Issuer's Sewer Surplus Revenue Notes, Series 2017 A, dated October 13, 2017 issued in the original aggregate principal amount of $1,929,000 (the "Prior Note"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the Act, the Bond Ordinance duly enacted by the Issuer on March 10, 2020, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 13, 2020 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2020 A Bonds are authorized and issued, and the Loan Agreement has been entered into. The Series 2020 A Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The 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 written consent of the Authority.

3. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Series 2020 A Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2020 A Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (i) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645 (the "Series 1998 A Bonds"); (ii) Sewerage System Revenue Bonds, Series 2000 A, dated July 13, 2000, issued in the original aggregate principal amount of $307,000 (the "Series 2000 A Bonds"); (iii) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated January 28, 2010, issued the original aggregate principal amount of $2,883,295 (the "Series 2010 B Bonds"); and (iv) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $1,358,924 (the "Series 2013 A Bonds"); and (v) Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), dated June 4, 2020, issued simultaneously herewith in the original aggregate principal amount of $10,859,500 (the "Series 2020 B Bonds").

6. With proceeds from the Series 2020 A Bonds, the Prior Note has been paid in full, and the covenants, agreements and other obligations of the Issuer to the owners of such Note has been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from the owners of such Note that they have received payment for the entire outstanding principal of such Note and all interest accrued thereon on the date hereof and that such Note has been paid in full.

7. The Series 2020 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

8. The Series 2020 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from gross income of the owners thereof of the owners thereof 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 2020 A Bonds.

It is to be understood that the rights of the Holders of the Bonds and the enforceability of the Series 2020 A Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond numbered AR-1, and in our opinion the form of said Series 2020 A Bonds and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

June 4, 2020

The City of Bluefield
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

The City of Bluefield
Bluefield, West Virginia

Virginia Resources Authority
Richmond, Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Bluefield (the "Borrower"), a municipal corporation and political subdivision of the State of West Virginia of its $10,744,800 Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), dated the date hereof (the "Series 2020 B Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a Financing Agreement dated June 4, 2020, including all schedules and exhibits attached thereto (the "Financing Agreement"), by and between the Borrower and the Virginia Resources Authority (the "VRA)"; and (ii) the Series 2020 B Bonds which are to be purchased by the VRA in accordance with the provisions of the Financing Agreement. The Series 2020 B Bonds are issued in the principal amount of $10,744,800, in the form of one bond, bearing interest at the rate of 0.95% per annum, registered as to principal and interest to the VRA, with an interest only payment due on June 1, 2022 and thereafter principal and interest payable semi-annually on June 1, and December 1 of each year, beginning December 1, 2022, to and including December 1, 2041, all as set forth in "Exhibit B" attached to the Series 2020 B Bonds. The VRA Administrative Fee of 0.20% (as defined in the hereinafter described Bond Legislation) shall also be payable semi-annually on June 1, and December1 of each year, commencing December 1, 2022, as set forth on said Exhibit B.

The Series 2020 B Bonds are issued under the authority of and in full compliance with the Constitution and statues of the State of West Virginia, including particularly, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Borrower (the "Project"); and (ii) paying certain issuance and other costs in

connection therewith.

We have also examined the Act, the Bond Ordinance duly enacted by the Borrower on March 10, 2020, as supplemented by a Supplemental Resolution duly adopted by the Borrower on May 13, 2020 and Certificate of Determinations dated June 4, 2020 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2020 B Bonds are authorized and issued, and the Financing Agreement has been entered into. The Series 2020 B Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Financing Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Financing Agreement when used herein.

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

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

2. The Financing Agreement inures to the benefit of the VRA and cannot be amended so as to affect adversely the rights of the VRA or diminish the obligations of the Borrower without the written consent of the VRA.

3. The Borrower is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Series 2020 B Bonds, all under the Act and other applicable provisions of law.

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

5. The Series 2020 B Bonds have been duly authorized, issued, executed and delivered by the Borrower to the VRA and are valid, legally enforceable and binding special obligations of the Borrower, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Borrower's: (i) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645 (the "Series 1998 A Bonds"); (ii) Sewerage System Revenue Bonds, Series 2000 A, dated July 13, 2000, issued in the original aggregate principal amount of $307,000 (the "Series 2000 A Bonds"); (iii) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated January 28, 2010, issued the original aggregate principal amount of $2,883,295 (the "Series 2010 B Bonds"); and (iv) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated June 27, 2013, issued in the original aggregate principal amount of $1,358,924 (the "Series 2013 A Bonds"); and (v) Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), dated June 4, 2020, issued simultaneously herewith in the original aggregate principal amount of $3,066,273 (the "Series 2020 A Bonds").

6. The Series 2020 B Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the

State of West Virginia.

7. The Series 2020 B Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from gross income of the owners thereof of the owners thereof 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 2020 B Bonds.

It is to be understood that the rights of the Holders of the Bonds and the enforceability of the Series 2020 B Bonds, the Financing Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond numbered BR-1, and in our opinion the form of said Series 2020 B Bonds and its execution and authentication are regular and proper.

Very truly yours,



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: 6/4/2020

ISSUE: The City of Bluefield Sewer Revenue Bonds, Series 2020 A (SRF)

ADDRESS: 200 Rogers Street, Bluefield, WV 24701 COUNTY: Mercer

PURPOSE OF ISSUE: x New Money

Refunding Refunding issue(s) dated:

ISSUE DATE: 6/4/2020 RATE: 2.750% ADMIN FEE: 0.25

ISSUE AMOUNT: $3,066,273

1st DEBT SERVICE DUE: December 1, 2022 1st PRINCIPAL DUE: December 1, 2022

1st DEBT SERVICE AMOUNT: $ 54,726.63 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC*

Contact Name: John Stump, Esquire

Phone: 304.353.8196

Email: john.stump@steptoe-johnson.com

UNDERWRITERS COUNSEL:

Contact Name:

Phone:

Email:

CLOSING BANK: *First Community Bank*

Contact Name: Kimberly Randolph

Phone: 304.431.2247

Email:

ESCROW TRUSTEE:

Contact Name:

Phone:

Email:

KNOWLEDGEABLE ISSUER CONTACT:

Contact Name: Shannon Bailey

Title: Sanitary Board Director

Phone: 304.325.3681

Email: sbailey@bluefieldsanitary.org

OTHER:

Contact Name: John Giroir

Title: Program Manager

Phone: 304.926.0499 1603

Email: John.Giroir@wv.gov

DEPOSITS TO MBC AT CLOSE:

By: Wire

Check

In-house Transfer

Accrued Interest:

Capitalized Interest:

Reserve Account:

Other:

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By: Wire

Check

IGT

To Escrow Trustee:

To Issuer:

To Cons.Invest Fund:

To Other:

ISSUER NUMBERS:

BANK ID NUMBER:

CUSIP:

ACCOUNT NUMBER:

PROGRAM NUMBER:

NOTES: Series 2020 A Bonds Reserve Account to be funded over 10 years

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required:

Transfers Required:

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: 6/4/2020

ISSUE: The City of Bluefield Sewer Revenue Bonds, Series 2020 B (VRA)

ADDRESS: 200 Rogers Street, Bluefield, WV 24701 COUNTY: Mercer

PURPOSE OF ISSUE: x New Money

Refunding Refunding issue(s) dated:

ISSUE DATE: 6/4/2020 RATE: 0.950% ADMIN FEE: 0.2

ISSUE AMOUNT: $10,744,800

1st DEBT SERVICE DUE: June 1, 2022 1st PRINCIPAL DUE: December 1, 2022

1st DEBT SERVICE AMOUNT: TBD PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC*

Contact Name: John Stump, Esquire

Phone: 304.353.8196

Email: john.stump@steptoe-johnson.com

UNDERWRITERS COUNSEL:

Contact Name:

Phone:

Email:

CLOSING BANK: *First Community Bank*

Contact Name: Kimberly Randolph

Phone: 304.431.2247

Email:

ESCROW TRUSTEE:

Contact Name:

Phone:

Email:

KNOWLEDGEABLE ISSUER CONTACT:

Contact Name: Shannon Bailey

Title: Sanitary Board Director

Phone: 304.325.3681

Email: sbailey@bluefieldsanitary.org

OTHER:

Contact Name: Andrea Pearson

Title: Financial Services Manager

Phone: 804.616.3452

Email: APearson@VirginiaResources.org

DEPOSITS TO MBC AT CLOSE:

By: Wire

Check

In-house Transfer

Accrued Interest:

Capitalized Interest:

Reserve Account:

Other:

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By: Wire

Check

IGT

To Escrow Trustee:

To Issuer:

To Cons.Invest Fund:

To Other:

ISSUER NUMBERS:

BANK ID NUMBER:

CUSIP:

ACCOUNT NUMBER:

PROGRAM NUMBER:

NOTES: Series 2020 B Bonds Reserve Account to be funded over 10 years

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required:

Transfers Required:

The City of Bluefield
Sewer Revenue Bonds, Series 2020 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

United Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Bluefield Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), dated June 4, 2020, in the aggregate principal amount of $3,066,273 and Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), dated June 4, 2020, issued in the original aggregate principal amount of $10,744,800 (collectively, the "Series 2020 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2020 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2020 Bonds.

WITNESS my signature on this 4th day of June, 2020.

UNITED BANK

By: _____
Its: Authorized Officer

The City of Bluefield
Sewer Revenue Bonds, Series 2020 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

CERTIFICATE OF REGISTRATION OF BONDS

UNITED BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bonds of The City of Bluefield (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bond, Series 2020 A (West Virginia SRF Program), of the Issuer, dated June 4, 2020, in the principal amount of $3,066,273, numbered AR-1 and the single, fully registered Sewer Revenue Bond, Series 2020 B (Virginia Water Facilities Revolving Fund), of the Issuer, dated June 4, 2020, in the principal amount of $10,744,800, numbered BR-1, were registered as to principal and interest in the names of "West Virginia Water Development Authority" and "Virginia Water Resources" respectively, in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of United Bank, as Registrar.

WITNESS my signature on this 4th day of June, 2020.

UNITED BANK

By: _____
Its: Authorized Officer

The City of Bluefield
Sewer Revenue Bonds, Series 2020 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2020 B
(Virginia Water Facilities Revolving Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 4th day of June, 2020, by and between THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $3,066,273 principal amount of Sewer Revenue Bonds, Series 2020 A (West Virginia SRF Program), and $10,744,800 principal amount of Sewer Revenue Bonds, Series 2020 B (Virginia Water Facilities Revolving Fund), in fully registered form (collectively, the "Series 2020 Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted March 10, 2020, a Supplemental Resolution of the Issuer duly adopted May 13, 2020 and Certificate of Determinations dated June 4, 2020 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2020 Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2020 Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2020 Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest, if any, on the Series 2020 Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:
The City of Bluefield
200 Rogers Street
Bluefield, West Virginia 24701
Attention: Mayor

REGISTRAR:
United Bank
500 Virginia Street, East
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2020 Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

UNITED BANK

By: _____
Its: Authorized Officer

079810.00009

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

UNITED BANK

By: _____
Its: Authorized Officer

079810.00009

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1, No. 2 and No. 3

SCHEDULE OF COMPENSATION

(See Attached)